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HUNGER EMERGENCY ASSISTANCE AND RELIEF TRUST ACT OF 1987: INDIVIDUAL GIVING TO ALLEVIATE WORLD HUNGER

JOINT HEARING

BEFORE THE

SELECT COMMITTEE ON HUNGER

AND THE

SUBCOMMITTEE ON SELECT REVENUE MEASURES

OF THE

COMMITTEE ON WAYS AND MEANS
HOUSE OF REPRESENTATIVES

ONE HUNDREDTH CONGRESS

SECOND SESSION

HEARING HELD IN WASHINGTON, DC, AUGUST 4, 1988

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HUNGER EMERGENCY ASSISTANCE AND RELIEF TRUST ACT OF 1987: INDIVIDUAL GIVING TO ALLEVIATE WORLD HUNGER

THURSDAY, AUGUST 4, 1988

HOUSE OF REPRESENTATIVES, SELECT COMMITTEE ON HUNGER, AND THE SUBCOMMITTEE ON SELECT REVENUE MEASURES, OF THE COMMITTEE ON WAYS AND MEANS,
Washington, DC.

The committees met, pursuant to notice, at 10:55 a.m., in room B-318, Rayburn House Office Building, Hon. Mickey Leland [chairman of the Select Committee on Hunger] presiding.

Members present: Representatives Rangel, Hall, Carr, Ackerman, and Flake.

OPENING STATEMENT OF HON. CHARLES B. RANGEL, A REPRESENTATIVE IN CONGRESS FROM THE STATE OF NEW YORK

Mr. RANGEL. This ad hoc meeting of the Select Committee on Hunger and the Committee on Ways and Means will come to order.

I am the chairman of the subcommittee that deals with special revenue measures, and one of the questions that has been referred to me for hearing is whether or not we can use the income tax system for check-offs for those taxpayers who would like to make a contribution to eliminate world hunger.

Bob Carr is one of our outstanding Members of Congress, and he fashioned this legislation that is before us. Chairman Mickey Leland of the Select Committee on Hunger thought that it would be appropriate if we brought our committees together to take testimony to see whether or not there is some way that the American people can participate in improving the quality of life for people throughout this world.

I want to thank my colleague and friend from Texas for the great contribution that he has made as a humanitarian, as well as a Member of Congress, in bringing some ease to this crisis, and recognizing that there is so much more to be done, we want to explore every possible way that America could be more helpful in easing the pain of other people.

I am glad that the distinguished candidate for the U.S. Senate has seen fit to pause in his campaign to join us. [Laughter.]

OPENING STATEMENT OF HON. MICKEY LELAND, A REPRESENTATIVE IN CONGRESS FROM THE STATE OF TEXAS

Chairman LELAND. Thank you very much, Mr. Chairman. I certainly appreciate the effort that you have made in the issues that

we are going to discuss today, especially your leadership. I appreciate your mentorship and also the chairmanship that you have assumed in the great responsibility of electing the first black U.S. Senator in recent times, and the only Democrat, I might add.

Mr. RANGEL. I would want to point out that if Jake Pickle decides to become a candidate, then I move up one on the committee, but I don't want that to interfere with your career judgment. [Laughter.]

Chairman LELAND. You are wonderful.

I am very pleased to join in this joint hearing of the Select Committee on Hunger and the Ways and Means Subcommittee on Select Revenue Measures for the purpose of examining H.R. 81, the Hunger Emergency Assistance and Relief Trust Act of 1987. As introduced, this legislation would amend the Internal Revenue Code by permitting individuals to direct a portion or all of their income tax refunds to a trust established for the relief of domestic and international hunger. HEART, as it is popularly known, proposes the creation of a new revenue source to support hunger alleviation activities here in the United States and abroad.

Last November, the Select Committee on Hunger conducted a hearing to investigate "Private Capacities and Public Responsibilities in Alleviating World Hunger." At that time, we received testimony indicating that voluntary agencies providing food for impoverished Americans and starving persons in Africa and other parts of the world who are suffering food deficits have traditionally forged partnerships with the Federal Government to sustain their operations. While this administration has articulated a commitment to the cultivation of private/public partnerships to alleviate poverty and hunger, it has not demonstrated its commitment in financial terms, which is where the rubber really meets the road. Consequently, the private sector has been charged with an inordinate share of the responsibility for funding antihunger activities and service delivery. The private sector has done a remarkable job, but the need persists. The capacity of the private sector to respond to the plight of those who suffer from or are at risk of hunger has been threatened by the decline in combined government support and private giving.

In 1985, over 100 million Federal income tax returns were filed and more than 75,000 persons received refunds. The average refund totalled $914. The check-off on the Federal income tax form, that is proposed by HEART, would not require individuals to make a contribution from these refunds for the Hunger Relief Trust. Rather, it would remind them that hunger is a global problem and give them an opportunity to take part in alleviating this problem.

To date, 38 States have enacted legislation which allows personal income taxpayers to contribute portions of their refunds to public-interest funds which support civic improvements and the alleviation of social problems. These predesigned check-offs on tax forms promote financial support largely because they educate the public about a need. No one can argue against the need for expanded support of antihunger efforts. Hunger is not isolated in one State. It is a condition that can be found in every region across this country and in other nations around the world.

We are here today to examine the merits and potential impact of H.R. 81. We have witnesses who can speak to the experience of State check-offs and those who will discuss the appropriateness of a Federal check-off for the Hunger Relief Trust. I look forward to an informative hearing and I would like to commend the gentleman from Michigan, Mr. Carr, for his initiative and congratulate him on the job that he has done. We are particularly proud of him for this effort because he happens to be a member of the Select Committee on Hunger.

Mr. RANGEL. Is there anyone seeking recognition before we take testimony from Mr. Carr?

Chairman LELAND. We do have a statement from our ranking minority member, Mr. Emerson, that will, without objection, be entered into the record at this point.

[The prepared statement of Mr. Emerson appears at the conclusion of the hearing, see p. 36.]

Mr. RANGEL. I would like to join with the full committee in thanking you for the leadership that you have provided. We are very anxious to take your testimony and, without objection, your full statement will appear in the record. Please proceed as you find convenient.

STATEMENT OF HON. BOB CARR, A REPRESENTATIVE IN CONGRESS FROM THE STATE OF MICHIGAN

Mr. CARR. Thank you Chairman Leland and Chairman Rangel. I am grateful to both of you for holding this joint hearing. It is tough to get a hearing on any piece of legislation in the Congress of the United States, and it is even tougher when you have to get a couple of committees together, given the conflicts in schedules. And as you pointed out, the demands on Chairman Leland's time are considerable. We were all very privileged to sit and witness your conversation there. [Laughter.]

Moving to the matter at hand, I have been involved in the hunger fight for a long time. Harry Chapin became a good friend of us all back in the seventies, when he raised the consciousness of the Members of Congress about the plight of the hungry. I will not go into that history; it is in my full statement, but in H.R. 81, the number is no accident. We had it reserved because 1981 is the year that Harry died. We would like to use that as a time reference to see how quickly we can pass some legislation into law.

Over the years, a lot of us have continued our activities on behalf of the hungry and we have volunteered and worked in local food banks—I have in my own community—and we have joined in helping in a small way in the big extravaganzas like Live-Aid, Band-Aid, Hands Across America, and so many other things.

I think two things became fairly clear within the last 3 or 4 years. No. 1 is that the plight of the hungry is not a battle that we can say we have won. There are still hungry people in this country and in the world. There are still major dislocations, either due to weather, or to inadequate transportation and distribution means, and there are still hungry people. As far as the eye can see, we are probably still going to have hungry people, so we cannot look to the one time, one shot extravaganza to solve the problem.

We have to begin to do some things that raise consciousness and awareness of the problem on a day to day basis. We also need to tap the untapped charitable feeling in this country. People will overwhelmingly contribute to a good charitable cause if they are asked. The sad fact is that many people are never asked. They are never on a mailing list, they never attend a meeting, and they are never exposed to the initial inquiry.

You are going to hear in a few moments from a young gentleman by the name of Robin Batteau, who I will introduce more fully when he comes to the witness table. We were batting around some ideas in the wake of Hands Across America and the question arose, "What can we do to more routinely tap the charitable feelings of the American people with respect to this tragic need?" We hit upon this particular mechanism, not because it was anything unique or even an original thought with the two of us, but it had been tried in other States and had worked. We are going to have some testimony today talking about the experience that the States have had with their provisions based on this particular format.

I want to also acknowledge that Chairman Rangel has a bill of his own in, which would essentially use this same device, but for a different and also worthy cause. We should note that Chairman Rangel could have easily had a hearing on this device, to include all manner of good charitable causes, but for my good colleagues on the Select Committee on Hunger, he has put his own bill in the wings while we talk about hunger today. I hope that as we consider hunger we might also consider other uses to which this device might be put and support Chairman Rangel's efforts as well.

You have my testimony in full, so I just want to say that this is the product of a lot of people's work and efforts. We think it is an idea that deserves Federal attention. We should look to see what the State experience has been. I know that there are some fears on the part of the Tax Committee, in particular, that this would open some kind of a floodgate and that the tax form would get very long. In fact, that has not been the experience of the States. There are some fears among the charitable trust community, that this would in some way co-op charitable giving to their detriment. We do not really believe that would be the case. In fact, we look at this as a stimulus, not only for charitable giving to the cause of hunger, but to all charitable giving because you have to first get someone to make that first contribution.

It seems more likely to me that a person asked to contribute to a charitable cause on a tax return may, ultimately, want to move off the tax return and establish a close working relationship with some charitable group, from which they will receive newsletters and information about the uses of their money which they will not receive from the Federal Government. It seems to me that it will stimulate people to charitable giving and it will encourage them to seek out charitable groups that they can give to directly.

For all of those reasons, we ask the committee of legislative jurisdiction to consider our bill favorably and to report the bill, so that we might have some early action either this year or early next year in the House.

Thank you again for holding these hearings.

[The prepared statement of Mr. Carr appears at the conclusion of the hearing, see p. 37.]

Mr. RANGEL. Thank you, Bob. We are going to have some problem with some of the language in your bill, which I cannot identify right away, but I think it gives the Hunger Commission the authority to remove the tax exemption from groups, and I know that you know that we are not going to do that. It is not essential to your bill becoming law, but we are not going to take away from the Treasury or the Internal Revenue Service their authority to determine which nonprofits should enjoy tax exemptions. I do want to thank you for your testimony and we will do what we can within the committee to see whether we can get this marked up.

Mr. Leland.

Chairman LELAND. Thank you, Mr. Chairman.

I would like to now ask Mr. William Paul to come forward. Mr. Paul is the Acting Deputy Tax Legislative Counsel with the U.S. Treasury Department. He is accompanied by Mr. John Johnson, Assistant Commissioner for Planning, Finance, and Evaluation, Internal Revenue Service, and Mr. Robert Brauer, the Assistant Commissioner for Employee Plans and Exempt Organizations at IRS.

Mr. Paul, you may proceed with your testimony.

STATEMENT OF WILLIAM M. PAUL, ACTING DEPUTY TAX LEGISLATIVE COUNSEL, U.S. DEPARTMENT OF THE TREASURY, ACCOMPANIED BY JOHN JOHNSON, ASSISTANT COMMISSIONER FOR PLANNING, FINANCE, AND RESEARCH, INTERNAL REVENUE SERVICE AND ROBERT BRAUER, ASSISTANT COMMISSIONER FOR EMPLOYEE PLANS AND EXEMPT ORGANIZATIONS

Mr. PAUL. Thank you Chairman Leland, Chairman Rangel, and members of the committees.

I am pleased to have this opportunity to present the Treasury Department's views concerning H.R. 81, the Hunger Emergency Assistance and Relief Trust Act. If enacted, H.R. 81 would allow taxpayers to direct that all or part of their income tax refunds be contributed to a trust fund for relief of domestic and international hunger. The bill would also establish a Hunger Commission to oversee the distribution of such contributions.

In my prepared remarks this morning, I would like to first provide the committees with some background information regarding two existing programs that include funding mechanisms analogous to that proposed in H.R. 81. I will then proceed to outline the Treasury Department's views on the bill. At the conclusion of my remarks, I will be happy to try to answer any questions the committees may have. Mr. Johnson and Mr. Brauer will also be available to answer questions from the committees. I would also refer the committees to my written testimony, which contains further discussion of some of the points that I will be raising in my oral presentation.

In the way of background information, I would first like to describe our experience with the Presidential Election Campaign Fund. Since 1973, individual taxpayers have been able to designate $1 of their tax liability to the Presidential Election Campaign Fund. To make the designation, the taxpayer simply checks a box

on the tax return. The taxpayer has no discretion as to the amount designated—he either designates $1 or zero. The taxpayer's tax liability or refund amount is not affected by whether this designation is made. In effect, by making the designation, the taxpayer says, "I want $1 of the taxes that I am paying to be used for funding Presidential campaigns."

In fiscal year 1987, 22 percent of the total individual income tax returns, or 22.4 million returns, designated a total of $33.2 million to this fund. As to the costs of administering this provision, they consist chiefly of the labor costs of transcribing data at the IRS service centers when the returns are processed. The Internal Revenue Service estimates that the cost of administering this provision in fiscal year 1984, the last year for which such information is available, was approximately $400,000.

I would also like to give the committees some background information about State check-off programs, using California as an example. California began its check-off program in 1982, when it permitted taxpayers to make voluntary contributions to the California Election Campaign Fund on their State income tax returns. In 1983, the California Legislature added four additional funds to this program. In 1987, two more funds were added. California's tax return forms currently permit individuals to make voluntary contributions to seven different funds. They are the Alzheimer's Disease and Related Disorders Fund, the California Fund for Senior Citizens, the Rare and Endangered Species Preservation Program, the State Children's Trust Fund for the Prevention of Child Abuse, the U.S. Olympic Committee Fund, the Vietnam Veterans' Memorial Fund, and the California Election Campaign Fund. The California Legislature is currently considering proposals to add yet two more funds: the California Fire Foundation Fund and the State Emergency Family Needs and Assistance Fund.

With respect to the 1987 tax year, the seven funds listed on the California returns received roughly 700,000 contributions out of 12 million tax returns. Contributions totalled approximately $3.4 million at an estimated cost of 7 cents per contribution. The implementation of the California program has required the addition of ten lines to the California forms and requires taxpayers to make approximately eight additional decisions and two additional calculations.

I will now turn to the Treasury Department's views on H.R. 81. The Treasury Department agrees that domestic and international hunger is a serious problem. Nonetheless, we must oppose H.R. 81, just as we have consistently opposed similar proposals that would use Federal tax returns and the Federal tax collection system for goals that are wholly unrelated to the raising of tax revenues. We are strongly of the view that Federal tax returns and the Federal tax collection system should not be used as a vehicle for voluntary contributions to any charity or cause, however meritorious. In this regard, I would like to point out to the committees that we have in the past opposed proposals to add tax return "check-offs" for such worthwhile causes as a U.S. Olympic Committee Fund, a National Organ Transplant Fund, the National Endowment for the Arts, the National Endowment for the Humanities, and a Fund for the Reduction of the Public Debt. In addition, as part of the "The Presi-

dent's Tax Proposals to the Congress for Fairness, Growth, and Simplicity," presented in 1985 as part of the tax-reform process, the President proposed to repeal the Presidential Election Campaign check-off.

Our opposition to proposals such as these is in no way related to the underlying purposes of the proposals. Rather, it stems from our concerns regarding the confusion, complexity, and administrative burdens that such well-intentioned and seemingly innocent proposals would create. These concerns are heightened by the fact that, as the California experience illustrates, the adoption of H.R. 81 would invite other charitable causes to seek similar treatment. It would indeed be difficult to argue that certain charitable goals, such as the fight against world hunger should have a check-off, but that others, such as the prevention of child abuse, or aid for the handicapped, the elderly, or the homeless should not. I should add that California is not an isolated example of the tendency for these check-off programs, once started, to expand. According to the Federation of Tax Administrators, 31 new designated check-offs were added to State tax returns during the past 4 years. During this period, check-offs were added for political campaigns in four States, protection of wildlife in three States, child abuse and related causes in ten States, olympic funding in two States, funding for the arts in one State, and other miscellaneous causes in eleven States.

Any check-off system would further complicate tax returns and instructions. At least one, and probably two additional lines would have to be added to all affected forms. This administration is committed to reducing the paperwork burden and complexity of the tax forms and has already made significant progress in this area. Proposals such as this one are inconsistent with these goals.

Several other problems are presented by the proposed check-off system. First, the legislation under consideration would place an administrative burden on the Internal Revenue Service. If the Service were required to reallocate resources to implement this proposal, its traditional functions would suffer. If the check-off system were extended to other charities, which we believe would be a real possibility if H.R. 81 were enacted, that would create further administrative problems for the Service.

Second, we believe that such a system would create confusion for taxpayers in that it would operate differently from the current check-off for the Presidential Campaign Fund, which, unlike the proposal contained in H.R. 81, is made out of a taxpayer's tax liability, does not involve any discretion as to dollar amount, and does not affect the amount of any refund the taxpayer may receive.

Third, if a taxpayer were to designate a portion of a refund for contribution that turns out to exceed the refund to which the taxpayer is actually entitled, the Service would presumably have to enquire whether the taxpayer still wished to make the contribution. This could occur because the taxpayer's tax liability may be adjusted due to a mathematical error or other mistake, or because the refund is "intercepted" under the refund offset program.

I should add that we are also concerned by the provision in the bill that would, in effect, authorize the Hunger Commission to revoke an organization's tax exempt status if the Commission finds that the organization has committed certain prohibited acts. This

has historically been a function of the IRS, and we can think of no reason for usurping the IRS's jurisdiction in this area.

In sum, while we sympathize greatly with the underlying goals of H.R. 81, we oppose the bill primarily because of the precedent it would establish and because of the administrative problems its enactment would create. This concludes my prepared remarks. I would be happy to entertain questions from the committees.

[The prepared statement of Mr. Paul appears at the conclusion of the hearing, see p. 51.]

Mr. RANGEL. Mr. Paul, I assume that the views you have expressed are not necessarily yours, but those of the Treasury Department.

Mr. PAUL. I appear here on behalf of the Treasury Department, that's correct.

Mr. RANGEL. And you don't have any objections to a check-off for U.S. savings bonds, or anything like that, do you?

Mr. PAUL. Me personally, or the Treasury Department?

Mr. RANGEL. Treasury.

Mr. PAUL. Check-offs for U.S. savings bonds?

Mr. RANGEL. Yes, would you object to that?

Mr. PAUL. I have not checked on that recently. I know that there used to be such a check-off in the sixties and it was removed at the Treasury's request.

Mr. RANGEL. Yes, but if we would start a check-off for U.S. savings bonds in order to reduce the deficit, you would have no problem with that, would you?

Mr. PAUL. I cannot concur with that.

Mr. RANGEL. Would you be opposed to it?

Mr. PAUL. I do not know of an official Treasury view on that, but I believe we would be.

Mr. RANGEL. Opposed to a check-off for U.S. savings bonds?

Mr. PAUL. As I said, Mr. Chairman, I have not checked that. I do not know if we have a formal position on it. I believe that we would oppose it.

Mr. RANGEL. Can anyone help him out with the formal position on that in terms of Treasury's position on check-off's for U.S. savings bonds?

Mr. PAUL. I will be glad to respond to the Chairman's question——

Mr. RANGEL. I thought maybe someone on the panel might be able to help.

Mr. JOHNSON. Mr. Chairman, our whole approach at the moment is the shortening of the instructions and the tax forms and, in fact, moving toward electronic filings and less of a burden in filing.

Mr. RANGEL. I just wondered that, if we got it as short as we want it, whether U.S. savings bonds would be given a priority.

Mr. JOHNSON. I have no idea.

Mr. RANGEL. OK, I have no other questions.

Chairman LELAND. Let me ask you, Mr. Paul, what changes in current Department operations would be required under this legislation?

Mr. PAUL. Mr. Chairman, I would ask Mr. Johnson from the Service to respond\to that.

Chairman LELAND. Mr. Johnson.

Mr. JOHNSON. What would be involved, Mr. Leland, is that we would first have to redesign the current family of forms, particularly the 1040 family of forms, and in terms of an immediacy, it is really already too late for this year. Following the redesign of the forms, we would have to reprogram the computers to develop new computer systems that would provide for picking up this information, recording it, setting up a general ledger system for it, setting up a control mechanism to audit that general ledger and pay out the funds, and it would also involve error loops and their corrections, which are a very expensive process in-house.

One of our concerns is that 22 percent of the returns currently filed with us end up in our error loop, whether it is caused by the taxpayer or whether we contribute to the problem. So one of the heaviest cost problems that we have is to work out how you identify such errors and how you resolve them. The whole system from the form, through the computer process, to the pay-out would have to be changed.

Using the California experience, we estimate that the cost is upwards of $3 million.

Chairman LELAND. Did you say $3 million?

Mr. JOHNSON. Yes.

Chairman LELAND. Pretty cheap price tag.

Although some problems were encountered, Mr. Paul, during that first year that the Presidential Election Campaign Fund check-off appeared on the tax form, the determination was made for it to be retained. What were the benefits of this check-off overriding the problems that it caused?

Mr. PAUL. I am not sure I am in a position to answer that, Mr. Chairman. As I said, the Treasury Department's position and the administration's position in the context of tax reform was to remove the check-off from the tax return as an effort to simplify. I am not familiar with the reasons that prevailed in Congress for resisting that proposal.

Chairman LELAND. So there has not been an analysis as to whether or not it has been beneficial to the American taxpayer or even to the system that monitors the taxpayer's interests?

Mr. PAUL. I can respond to the chairman subsequent to this hearing. I will have to go back and find out what has been done in that regard. I am not aware of anything.

Chairman LELAND. Without objection, I will request that you do submit your response to the committee. We will keep the record open for that purpose.

[The information referred to above appears at the conclusion of the hearing.]

Chairman LELAND. The administration has consistently articulated the need to forge and strengthen public/private sector initiatives or partnerships to alleviate hunger and poverty in this country. This is the safety net that President Reagan has advocated for so long. Yet, we have found some pretty big holes in that safety net. Doesn't this initiative reflect these intentions?

Mr. PAUL. I think that it has that quality of government/private sector partnership efforts and the idea of the Government's dollars being leveraged by private involvement to deliver a lot more for the dollar. We certainly do not oppose it on that basis. As you have

correctly pointed out, that is one of the administration's goals, to expand government/private partnership and involve the private sector in these functions to a larger extent. I think that the real objection to this proposal is a matter of tax policy, of whether it makes sense for our tax collection process and our tax return forms to add these charitable contributions to the forms and to the process. Again, as I emphasized in my testimony, our concern is heightened by the fact that it is hard to say "Yes" to one cause, and not to anybody else, when there are so many worthwhile causes. It would be very hard, I think, to limit the scope of this approach, once it was adopted, to just hunger.

Mr. RANGEL. But that's a legislative decision though, don't you agree?

Mr. PAUL. Certainly the Congress in its wisdom can decide, and we will certainly comply with whatever the Congress does enact.

Chairman LELAND. You heard the reference made by the gentleman from Michigan, Mr. Carr, to the gentleman from New York's initiative to make this a generic kind of instrument by which citizens can participate in matters of this kind, not necessarily limited to hunger and poverty—possibly poverty is more a generic term—but at least hunger. What do you think about that particular more generic proposal?

Mr. PAUL. I think we would have a problem with the way this would intrude into the process, which in our view should be strictly limited to determining the correct amount of tax owed by the taxpayer and collecting that tax. I think it would be hard, even if you broadened it to poverty generally, to exclude other programs, such as emergency medical assistance and all sorts of worthwhile causes. It seems to me that others would insist on receiving equally favorable treatment.

Chairman LELAND. But what if they're not on the table. It seems to me that you take an initiative—this country's legislative agenda from the very beginning has always been based on ideas that have been brought forward by the American people in one way or another. Those ideas have been tested by way of dealing with specific proposals that narrow down to specific areas. Once you try them, if they work well the American people then, in other ways, through the Government or legislative conduit, have been able to advocate to broaden the parameters on these things. I don't see anything wrong with that.

Mr. PAUL. Certainly, in terms of your historical description, I don't disagree with you. I think one response to that would be that this type of approach has been tried, at least in some fashion, as I mentioned to Chairman Rangel. In the sixties, one could use a portion of the refund to purchase a Government savings bond by indicating on the return that one wished to do so. I don't know how long that was in—I could go back and find out more about this for you—but it was abandoned in the sixties, in large part because it atrophied. The taxpayer interest atrophied. I don't have enough information to make a firm prediction here, but there does seem to be a tendency for these things to catch on quickly and have an immediate effect, but then to sort of dwindle as the immediate newness of the idea fades over time and they just become an additional line on the form and eventually it is decided to delete them.

Chairman LELAND. That's a matter of oversight on the part of the Congress. If, in fact, we create an institution that would provide us these kinds of opportunities, and we find that at some point in time that this institution is not necessarily effective or has not done a good job or has not met its required stated purpose, then we dissolve that institution. Could this not be the same thing when we have such a crisis in hunger in this country and in other parts of the world and we know that there are literally millions of suffering people in this country alone that need some kind of real assistance. There's just not enough money given by the private sector alone, and the Government, because of the problem that it suffers from in terms of our budget deficits, has not been able to stand alone and do what is necessary to meet the needs. However, putting public and private sectors together, it seems to me, especially in this fashion, provides substantial and appreciable relief to the extent that we just might have an opportunity to save people's lives. We might possibly be able to save the mental health of children who, when they suffer from malnutrition and hunger tend to suffer cognitive development maladies. This could be considered an emergency situation where we would possibly consider a measure like Mr. Carr has mentioned, which would warrant us, and possibly even elicit some rethinking on your part, about your opposition to this measure.

Mr. PAUL. Again, we sympathize greatly with the underlying purpose of H.R. 81, and the real question is, "Is this an appropriate funding mechanism for getting those additional dollars from the private sector, from the people that Mr. Carr talked about, from this untapped charitable desire to make donations to charitable causes?" It is our considered view that it is not, and again this has come up in the past with other proposals for other worthwhile causes. I don't want to get into such a quarrel, but one could quarrel over whether this cause is more important than that cause, but we don't approach it on that basis.

Chairman LELAND. The other causes are not on the table right now. Mr. Carr happens to be a visionary. He says if this works for hunger, maybe in the future we will broaden the parameters. I know that some would argue against the proposal for that reason, but some of us believe that possibly this is the right mechanism to do something.

Mr. PAUL. I think that we would, given our tax policy focus, encourage the committees to look at other possible ways of tapping these untapped private sector moneys.

Chairman LELAND. Will you provide us with some of those options that you might have? Have you thought about it?

Mr. PAUL. I have thought about this since the notice of this hearing came out, but I can't claim to have any easy answer by any means. I would like to point out to the committees that the tax law does do quite a bit currently to encourage charitable giving. The taxpayers who itemize their deductions get a charitable contributions deduction for contributions to organizations that fight hunger and other worthwhile causes. The organizations themselves are exempt from taxation.

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Mr. RANGEL. But you would have to agree that the reduction in the individual tax rates has had a negative impact on the incentive of people to give.

Mr. PAUL. That may reduce the incentive, as may the fact that the nonitemizer deduction was also eliminated as part of the overall compromise in an effort to reduce rates.

Mr. RANGEL. You should know that I agree with you that the tax system should not be used to reach some social goal, but when you find that the administration is not going to respond to this, we are sometimes forced to use the U.S. Code to substitute for the lack of leadership in terms of the administration and the Congress working together. If you take a look at the Code that you are forced to administer now, you see incentives there for low-income housing and a variety of things that you should be equally opposed to if you are looking for a clean tax system. Those things should not be in the Tax Code, but when we don't have the courage to tax or to appropriate or to legislate, unfortunately, we come back to your forms.

Mr. PAUL. I would point out to the committees that the President's budget for 1988 included some $20 billion in domestic food and nutrition assistance and some $5 billion in foreign humanitarian aid, so I don't think it is quite fair to say that nothing is being done. The problem is not being completely addressed; I will concede that.

Mr. RANGEL. I did not mean "nothing."

Chairman LELAND. My time has expired, Mr. Chairman.

The gentleman from Ohio, Mr. Hall.

Mr. HALL. Thank you, Mr. Chairman.

First, I want to congratulate Mr. Carr and the people who have supported him in pushing this legislation. I think it is a really important proposal. As you have said, Mr. Paul, there are numerous causes in this country and in this world—how do you decide or how do you rank them? It is a very difficult thing to do. I cannot think of a cause more important than alleviating hunger, because I do not know of any other cause that kills about 40,000 people every day, as hunger does. Infectious diseases, lack of immunization, and lack of food cause weakness and death. So I would say that this cause has to rank, if not No. 1, certainly in the top two or three causes in the world. I congratulate the people who have been pushing this bill because I think it is very important and that it should be a top priority for the Congress. I also support this idea because it would educate the public of the need for continued support for hunger alleviation efforts. So many of the hungry people of the world are dependent upon the focus of the media for help. When the media focuses on hunger problems, the fund raising goes up; when they do not focus on hunger, as they are not now, the amount of money and concern among the majority of people declines. I think that this approach gives a consistent to hunger and to the whole issue of hunger across the board.

As I understand the legislation, it would place the cost of administering the fund with the Hunger Commission that the bill sets up. Therefore, the hassles that one would have in your Department would be substantially reduced. I would ask you, if that is the case in the bill, what other kind of hassles are we really talking about?

Mr. PAUL. As I understand the bill, the Commission's activities in terms of selecting worthwhile organizations to which to transfer the funds that are in the trust and its other responsibilities would be paid for, but the IRS's administrative burdens in terms of the additional processing of returns and correspondence with taxpayers relating to this check-off would not. If I am mistaken in that, I apologize.

Mr. HALL. I am not quite sure. Maybe Mr. Carr could answer this, how we divide these responsibilities, but as I understand the bill, over a period of years, most of these responsibilities, except for the technical aspects of the check-off and the money, go to the Commission. So, what one would consider a hassle due to other causes seems to be taken care of in this particular legislation because most of the responsibilities will be shifted.

Mr. PAUL. It is certainly less burdensome than if the Service had to administer the program; if that is your point, I agree.

Mr. HALL. OK, thank you.

Chairman LELAND. The gentleman from Michigan, Mr. Carr.

Mr. CARR. Thank you, Mr. Chairman.

I thank you for your testimony, Mr. Paul. We really do want to learn. I want to learn, as the original sponsor of the bill, what technical problems there are with this piece of legislation, and I think you have pointed out some things to me that I had not considered, but would like to consider. I am sure that the tax writing committee, under Chairman Rangel, will also consider them. He already pointed one out to me regarding section 501(c)(3). I might just say, parenthetically, that our purpose in putting that in the bill was merely to indicate to those people who we were asking to sponsor the legislation that we really wanted to be tough on organizations that received any of this money. If we were inappropriate in putting some power in the Commission that should go some other place, perhaps it should be amended to indicate that the Commission might have as its remedy merely a recommendation to IRS or Treasury that perhaps that group had lapsed from its 501(c)(3) responsibilities, but that is for the tax writing committee under Chairman Rangel to decide.

Aside from the technical aspect of your testimony—and I hope that you and I can correspond further about this so that I can learn more about your side of the problem—I guess that the only thing I find dismaying about your testimony is the institutional attitude of the Treasury Department.

I honor public servants. I am one myself, and I served in appointed positions in State Governments. I am not a bureaucracy-basher, but on the other hand, if you've got four or five people looking at a river and one of them is an engineer, he sees it as something to be dammed up or to put a bridge over. The person who is into fishing wants to put on the waders and get out there. If you are an athlete, you are probably thinking of swimming across it. I really think that this proposal, while I appreciate the technical problems that you have brought to the surface here, I guess I am dismayed and do not find terribly persuasive the argument that "We don't want to do this because we don't want to do it. This is not our institutional role and we don't see ourselves in this game." I find that a bit dismaying. I think that Government ought to have a "can do"

spirit, and while you point out that the goal of this administration in reducing paperwork is running directly in conflict with the goal in this particular proposal, I think it has also been a goal of this administration to foster charitable contributions. I do not think that when those two are in conflict, that it is too much to ask for a little more paper, a little more ink, and a few more spaces of magnetic storage. Those things are things that we ought to be looking for solutions to. I am glad to know about the problems in that regard, but I think that those are solvable, and I hope that the Treasury Department will take a more "can do" attitude toward the idea to see if we can't do something with it. I do not know about the States. I don't know about California. Maybe we can go ask those folks. But in the State of Michigan, I am sure that it has probably caused a real headache for a particular civil servant on a particular day when they might have to deal with this, but I can tell you, having checked with my own State, that they are delighted with it. They do not see any real problem. It has solved a lot of problems. And if some one were to give their entire refund to the trust fund, that is one less check that you would have to write. It might even reduce some of the paperwork. You might have to look for possibilities. At any rate, I do appreciate the technical portion of your testimony.

Mr. PAUL. We would be happy to work with you, Mr. Carr.

Chairman LELAND. The gentleman from New York, Mr. Ackerman.

Mr. ACKERMAN. Thank you Mr. Chairmen.

I want to commend the sponsor of the legislation for what I think is a very important idea whose time has come. I, too, am a little bit dismayed at what I see not only here, but elsewhere, as the compartmentalization of our government, and I think that this particular issue cuts right through the basic quick of what government really is, or should really be all about. What is the purpose of having a government? And I guess that when you think about it, in as brilliantly simplistic terms as you can, that you would have to come up with the answer that the purpose of government is to help people. The question that arises is, "What are the best ways of doing that?" As government gets more and more complicated, I guess we all look to protect our own niche, our own particular turf, bureaucracy, agency, or whatever you wish to call it. But I think that we have to step back sometimes and really take a look at the total picture. If government is supposed to be helping people, and people are willing to help people and themselves, then government really should not stand in the way of its own mission. If the American people are willing to say, "Take my money, and please give it out to these causes or this cause that I think is important," then I do not think there is anything really wrong with that. I can appreciate the concern of having a proliferation of causes that people are willing to help, but I do not see that as a detriment. I think that is tremendously positive. You are presenting the problem to us of so many great causes that people want to promote—and we are not talking necessarily about the "National Foundation to Cure Prickly Heat," or something—we are talking about things that are very important, that are matters of real life and death, things that are not frivolous, and things that make America the great country that

it is, such as people wanting to help each other and themselves. So what if this works and someone else wants to do it to help cure cancer, or to help cure aids, or to help veterans, or to help unwed mothers, or whatever the cause might happen to be. If people think that a cause is large enough and important enough to put on the national agenda, so what if we have to put a line on a form. I think that is great. If government should be helping people and government should be helping to feed those among us who are hungry or starving, what would it cost the government to actually do that? What would it cost the government to feed all of these people? When you come up with that number, and that's a rhetorical question, but when you come up with that number it is going to be staggering. We can chip away at it with voluntary help from the people who also help to fatten the Treasury, and after what's left to them for themselves, if they are willing to give that out for those who are less fortunate among them, so what? Let the government help. It is a lot cheaper to do it that way. It is a lot cheaper to take advantage of and harness that volunteerism and to add a couple of lines to a form. Saying that it would cost $3 million to change the forms around is not a big obstacle. We can get you that $3 million. We can probably get Mr. Carr, as generous as he is, to take the first $3 million out of that fund to pay for your costs if you don't want it to come out of your agency. I am sure that could be worked out somewhere along the line. To say that there are so many other causes really is not a great problem. It is like somebody coming over to you saying they are starving to death, can you help me out and give me a quarter, and you saying to them, "Well, if I give to you, I have to give half of India, so go starve to death." We just have to be more compassionate than that as a society. While I appreciate the problems that it would cause for your agency, I think that people who are starving to death have bigger problems, and adding a couple of lines and a couple of dollars which we can help to provide is the real answer.

I thank you for your kind spirited manner in presenting your agency's position. We have had a lot of people testify for various agencies and they are really hard-nosed people who really just do not care about people. I do not see that in this panel that has come before us today, but I think we have to be working together to try to solve the problems that our country and the world are facing. Thank you.

Chairman LELAND. I want to thank all of you for participating with us here today. Your candid comments have been very helpful to us, and we will keep the record open in case we have other questions that we might want to submit to you in writing, hoping that you will respond in kind. This is a very difficult problem that we face, the problem of suffering people. When we try to find solutions to these very critical problems, sometimes we have to take extreme measures, measures that we might not necessarily believe are the best measures, but that we have to take. We would have preferred that the President would have come in with much more money for programs that would help the poor in a much greater way. We understand that, minimally, the President has advocated for some things. Anyway, that is all politics and such. We won't have to deal with that next time. When President Dukakis is in the White

House, we will hope that such programs will expand considerably, and maybe we will not need the legislation that is before us today.

You have been very kind, and we thank you very much.

Mr. PAUL. Thank you, Mr. Chairman.

Chairman LELAND. We have a vote on the floor right now. We apologize for the process, but we will have to recess now for 15 minutes, so that we will be able to get over and vote.

[Recess.]

Chairman LELAND. Let's come to order, please.

I would like to ask our next panel to come forward. We have Mr. Thomas Birch, Mr. Bill Ayres, Mr. Jim Chapin, Mr. Robin Batteau, and Father William Cunningham. Please come and be seated at the witness table, gentlemen.

Mr. Birch is the legislative counsel for the National Child Abuse Coalition. He has worked closely with States across the country to develop new channels of funding for child abuse prevention efforts, including the designation of contributions from tax refunds.

In 1975, Mr. Ayres and the late Harry Chapin launched World Hunger Year, an organization which has assumed a prominent role in educating the public and the media about the causes and the extent of hunger here in the United States and abroad. I must say that a part of his legacy is manifested in the existence of this Select Committee on Hunger. In addition to sponsoring the annual World Hunger Media Award and the Harry Chapin Food Self-Reliance Award, both of which provide an annual gift of financial support to individuals and organizations which have made contributions to hunger research and alleviation, World Hunger Year has initiated three local self-help projects in the New York metropolitan area. Mr. Ayres is accompanied by Mr. Jim Chapin, brother of the late Harry Chapin and chairman of the board for World Hunger Year.

Mr. Batteau is a performer and songwriter who initiated the idea for the legislation to fund the Hunger Trust through direct contributions from income tax refunds. He has also expended his energies—and I would like to applaud his success in these efforts—in organizing concerts to raise funds for hunger alleviation activities. However, most will best recognize him for his jingle, "The Heartbeat of America." All of you know that one. [Laughter.]

Father Cunningham is cofounder and executive director of Focus:HOPE, a community based civil and human rights organization launched in Detroit in 1967. This agency was selected to operate one of the three demonstration projects under the Commodity Supplemental Food Program, through which monthly food packages were distributed to the low-income elderly. Today, Focus:HOPE operates the Nation's largest Commodity Supplemental Food Program, serving approximately 39,000 low-income women, infants, and children and 29,000 low-income elderly each month.

Mr. CARR. Mr. Chairman, I apologize for interrupting, but I just want to say a word. All of these gentlemen are my friends, but I just want to say a few extra words about Robin Batteau, because, as a Member of Congress, I can have my name on the bill, but Robin is my coauthor in spirit. Bill Ayres brought Robin in to visit with me one day and I had not been familiar with Robin's work.

Well, I heard a Cheerios jingle somewhere along the line, but I didn't know it was his. Anyway, the thing that struck me about Robin, is that he has a lot of the traits of Harry Chapin, which impressed all of us. Robin has a dedication that deserves to be recognized. He has come to Washington at his own expense for the better part of the last year and a half, sometimes weekly, and has gone around to all of the offices many times to visit with the Members of Congress and familiarize them with the bill and to ask for cosponsorships. He has really worked very hard to see to it that this bill was brought to where it is today.

Along the way, of course, we are all very excited to see his success as a songwriter an performer. I am delighted with his jingle, "The Heartbeat of America," because it pushes a hometown product up in Michigan. [Laughter.]

I just want to give him a little plug. He does play at the Birchmere Theatre over here in Arlington with his partner, who has also helped on the project, Dave Buskin. They write a lot of songs that have been recorded by themselves and other artists, and how he fits political involvement on behalf of those who are less fortunate into his schedule is really remarkable. I just want to thank him publicly for all the help he has given to bring this bill to where it is today. I know that he is going to continue to fight in the Harry Chapin tradition for the hungry and helpless.

Chairman LELAND. My colleague has turned my attention to the fact that we ought, every chance we get, to pay the kind of praise to the performers who have done so much to heighten public awareness and to move mountains to some great extent, for their involvement. We know that you pay a dear sacrifice when you come to the Hill so many times and when you put together concerts and assist in efforts to help to alleviate not only the problems of hunger, but whenever there are major tragedies in the world and performers respond so immediately, this generosity does not go unnoticed. As a matter of fact, our comments will be a matter of congressional history—that's why we make these comments. We want the world to know and the future to know that your contributions are invaluable.

If I can go back just a few years ago—in 1983, I went on a trip to Ethiopia. It was in 1983, when Howard Wolpe led a delegation to Africa and we spent something like 21 days in Africa and visited about eight different countries.

We went to Ethiopia and we saw the impending crisis. We landed in a Soviet helicopter on top of a mountain plateau, and about 1,000 people had come to us with swaddling clothing, if you will. It was unbelievable, and they had their hands outstretched, thinking that we had brought food with us. This was called a feeding station. We didn't have any food, of course, but we were spurred in our interest to do as much as we could because we saw these poor suffering people. We appropriated—Bob, I know you know about this—about $40 million for African famine relief at that time. The administration held up that $40 million for 6 months.

A young man in England, originally from Ireland, named Bob Geldof, had seen what was going on over there and did a song called, "Don't They Know It's Christmas?" He organized the song-

writers over there, and thus, the world knew about Band-Aid, and then of course, Live-Aid and all of the rest happened. This was the dramatic era for hunger alleviation efforts, but it was because of what the performers had done; and the in kind response from Harry Belafonte, who gathered the artists over here, who came up with "We Are The World," the recording sessions, and so forth. It was because of the attention that was brought by the performers in addition to the BBC documentary that they had done on Ethiopia, that we were able to lobby the White House to finally make the kind of response that they should have made a year prior to that. Had the White House sent those funds 6 months prior to the time that they did, possibly many thousands of people's lives might have been saved. But if the performers had not done what they did, I doubt very seriously if the American people, or the world for that matter, would have responded in the magnitude and the manner that they did so that even more lives were not lost. They are responsible for saving literally millions of lives, millions of human beings. For that I, as the chairman of the Select Committee on Hunger and a presumptive citizen of the world, would like to applaud you at this time and to associate myself with the comments made by the gentleman from Michigan, Mr. Carr, and say that we truly appreciate what you do.

Now, in addition to that, let me just expand my applause and say that those of you who have worked for so long and who go unnoticed for the most part, you deserve a special notice also, by this committee, certainly by me and my colleague. This is your lifeblood, this is what you do, and we certainly appreciate that. We saw the beautiful people there in Ethiopia who belong to the nonprofit, nongovernmental organizations, who did such beautiful work in making sure that the resources that were being provided were reaching the people who were the target of our support. We love you for all of that and appreciate all that you do. And, while you do come here to "preach to the choir," as a matter of congressional history, we do need the sermons, because some of us are not necessarily knowledgeable about all that you do and all that you know about these issues. We do appreciate all that we get from you. It is all most helpful, and sometimes we move mountains.

President Reagan, in 1984 advocated appropriating $225 million for African famine relief. We ended up spending $800 million and the President finally agreed with us that we needed that level, and that was because of the work that all of you had done to advocate for us spending the kinds of moneys that were necessary, in the places where it needed to be spent, for the purpose of helping to serve the interests of hungry people.

With that, let me stop and ask Mr. Birch to begin.

Mr. Birch.

STATEMENT OF THOMAS L. BIRCH, LEGISLATIVE COUNSEL, NATIONAL CHILD ABUSE COALITION

Mr. BIRCH. Thank you, Mr. Chairman, Congressman Carr, Chairman Rangel, and members of the committees.

I appreciate the opportunity to be here today to talk on the subject of income tax check-offs. My background is not with hunger

relief, but with child abuse prevention, so I will be talking to you today about the tax check-offs that have been used to establish Children's Trust Funds at the State level to support the prevention of child abuse. First, I would like to give you a little background on the trust funds, some of the impact that the funds have had, and then some specifics about how the income tax check-off mechanism has worked at the State level.

The first Children's Trust Fund was established in 1980 in Kansas and it was not through a tax check-off, but by an increase in the cost of a marriage license. Since then, 46 States have established some form of a special program as a Children's Trust Fund, using different mechanisms to provide moneys for these funds. In addition to fees on the copies of marriage licenses, funding has come from increased costs in copies of birth certificates, divorce filings, death certificates, and then, of course, the income tax check-off, which has provided an opportunity for State taxpayers to allocate some portion of their tax refund to this child abuse prevention effort.

A number of States provide support through legislative appropriations as well, but the vast majority of these trust funds operate on a combination of these various approaches for raising money. What we have seen is that by supporting programs through designated funding, there has been an opportunity to provide assistance to activities that may have been historically under-funded, particularly at a time when State economies were depressed and revenue deficits inhibited the creation of new programs. This funding mechanism has provided a source of money that is apart from considerations of appropriations and safe from any State budget cuts.

Michigan was the first State to enact an income tax check-off to support the Children's Trust Fund and that was in 1982. It is interesting, the advocates in Michigan first sought to get an increase in the cost of a marriage license and they were told by their friends in the legislature that because of high unemployment at that time in Michigan and because of the extreme budget deficits at the State level, the legislature really could not see increasing the cost of anything. So they suggested going for a check-off on the income tax return in the State of Michigan and that, obviously, was what was enacted. Since then, 16 States have enacted an income tax check-off for Children's Trust Funds.

One thing that I might mention that is a little bit different at the State level from the proposal in H.R. 81 is that the State income tax check-offs for child abuse prevention, for the most part, allow the taxpayer to make a contribution through the tax return in addition to designating a portion of the refund that may be due. For example, if a taxpayer is not eligible for a refund, the taxpayer can designate a contribution and send a check in to the State revenue office through that same mechanism. Typically, the fund is set up as a separate entity within the State treasury, and in most of the States with this check-off mechanism, a portion of the funds, usually half of the money collected each year, goes for the purpose of awarding grants for the prevention of child abuse. Then the rest of the money is collected in the State treasury, is invested, and the earnings are credited to the trust fund. In Michigan, the check-off will come off the tax return form once that fund, that endowment

if you will, has reached $20 million. Thereafter, the child abuse prevention activities and grants will be supported from the income that is earned on that money that was collected and invested.

Most States do not restrict the trust funds to money that is collected through the funding mechanism—again, a difference between the State programs and what is being proposed in H.R. 81—but allow for contributions to be made from individuals, foundations, and corporations. In fact, there is a Federal program, the Federal Child Abuse Prevention Challenge Grant Program, which provides matching funds to these State Child Abuse Prevention moneys.

The impact of the Children's Trust Funds has been significant. Before 1980, there was very little money available at the State level to support prevention activities. Last year, $28 million was raised for the Children's Trust Funds. That is including moneys raised through appropriations, through increases in marriage license fees, and so forth, but about one third of that, $7 to $8 million has come from the State income tax check-off. In most States, this money represents the first time that any appreciable public support has been available for trust funds.

I would like to take a minute now to go over some of the considerations, some of the barriers that have been raised, when legislation for the tax check-off has been proposed at the State level to fund these Children's Trust Funds and some of the responses that have successfully overcome those objections. First of all, the objection has been raised that this would add an administrative burden on the revenue department in collecting the money. Usually that objection has been silenced by providing a percentage of the fund to the State revenue agency to administer the money. In Alabama. a maximum of 3 percent of the funds collected on the check-off can go to the department of revenue if there are, in fact, administrative costs attendant to collecting and allocating those moneys.

Once an income tax check-off has been established on the tax return, it is not an automatic flow of dollars. A public relations effort is necessary, an advertising campaign has to begin, and this costs some money. It usually takes about a year for the public to understand what this new check-off is all about and what it can do, so it is not an immediate kind of thing, but once it gets started, it has been successful.

The question was raised earlier about competing interests and a proliferation of check-offs on a tax return. In Illinois, I guess this has been anticipated, where there are several check-offs. Illinois law limits the number of check-offs to ten at any one time that can appear on the return, and there is also a stipulation that if any particular tax check-off fails to reach a certain number of dollars in a given year, it is eliminated from the return, so those that are unsuccessful will not remain.

The question has been raised in some States, whether the passage of this type of funding mechanism would have a negative effect on regular appropriations. Would legislators say, "Well, we are taking care of this issue through the tax check-off; we don't need to appropriate any other tax dollars to that cause." In Alabama, where this was anticipated, the statue simply says that the income tax check-off should not be construed in lieu of annual ap-

propriations. In fact, the opposite effect has happened. What has arisen is an opportunity to demonstrate the importance of addressing this issue to show what can be done to serve families and work with children, in this case for the prevention of child abuse, legislators have responded positively. In fact, while the contributed funds have grown, appropriated moneys have grown well at the same time. I think that if we think of the income tax check-off as a sort of venture capital effort, we can see that it has built support for legislative funding and also generates new money from the public by emphasizing the importance of charitable giving and the identification with a cause that needs support.

I would be happy to answer any questions that you might have. Thank you.

[The prepared statement of Mr. Birch appears at the conclusion of the hearing, see p. 56.]

Chairman LELAND. Thank you.

Mr. Ayres.

STATEMENT OF BILL AYRES, COFOUNDER AND EXECUTIVE DIRECTOR, WORLD HUNGER YEAR, NEW YORK, NY

Mr. AYRES. I would like to thank you, Chairman Leland and Chairman Rangel, for the opportunity to testify, and I would particularly like to thank our friends Congressman Carr and Robin and Wendy Batteau for all the work that they have done, and also the people in your office, because I think we have a unique opportunity here in this bill to touch the root causes of hunger and poverty. Back about 10 years ago, my friend and partner, Harry Chapin, and I were at hearings like this to try to get a Presidential Commission on World Hunger, which we accomplished. During his time on that commission, one of the things that he tried to talk about over and over again is that the root cause of hunger is poverty. Now that seems very obvious to most of us, but it was not so obvious to a lot of the people, including the people on the commission. The point that he tried to make over and over again, and that we always try to make, is that the cause of hunger is poverty, and the cause of poverty is powerlessness. In fact, people are not hungry and poor because they choose to be, but because in some way or another, for a variety of reasons, they are powerless.

I think that this bill touches on that whole question in a very unique way, and it is happening at a very appropriate time, a time of bad news and good news. I would like to just touch on that for a moment. On a national level, the bad news is obvious. During this decade, we have seen a dramatic increase in hunger, homelessness, and poverty in this country. That has continued at a time of economic prosperity. It certainly was heightened during 1982 and 1983 because of the budget cuts, because of the great unemployment, double-digit unemployment, and also because of the tax changes that happened at that time. But one would have assumed that with the dramatic decline in unemployment over a period of time, cut really in half, that we would have seen an equally dramatic decline in hunger, homelessness, and poverty. That has not happened and that is very scary.

We could go on and on with all kinds of statistics, and I am sure you all know the statistics, that there have been something like 35 national studies and dozens and dozens of state and regional studies, all of which provide not anecdotal evidence, but real hard evidence of the increase of hunger, poverty, and homelessness.

What is the good news in the midst of all this? In some ways I suppose it could be labeled the real Reagan revolution, which is that because of the lack of funding from the Federal Government, other people have stepped in, and you will hear from one of them in just a few minutes. There are literally thousands of self-help groups all over this country that are doing a wonderful job. Most of them are church groups, but not all of them are.

We organized just recently, the Campaign to End Hunger and Homelessness, and we have been in touch with and have on our list over 4,500 local groups. We have not touched all of them, but we have got 4,500 local groups that are dealing with hunger and homelessness in this country. When you go around and talk to these people, as I know you have, Congressman Leland and Congressman Rangel, you find two things. One is that they love what they are doing, and two is that they do not want to be doing it, because they know that they cannot meet the problem on the scale of the problem. So I think that we have a unique opportunity through this bill to do some people-to-people funding. These are the organizations that are helping to break that cycle of hunger, poverty, and powerlessness, because they are working on a local level, not simply to give handouts, but to empower people to take control of their own lives. They are involving thousands of people across the country, but they are just a drop in the bucket. They need further funding.

This bill does not solve the problem, obviously, but it provides a very important model of a people-to-people kind of funding, and it really goes to the question that the two chairmen were pursuing with the gentleman from the Treasury Department, that is, the role of government. I think that the position that you were moving in is a very healthy one. In fact, if the American people say that they want to do something about this, the Government ought to facilitate that.

I have brought with me a survey of attitudes toward hunger and homelessness in America that the Campaign to End Hunger and Homelessness did in January of this year, and we found overwhelming support for more Federal dollars for hunger and homelessness, even to the point of people saying that they would be willing to put $100 into their Federal taxes if they thought that, in fact, that money was really going to aid the hungry and the homeless. Here is a chance for people to put their money where their mouth is, in a sense, and people are saying that very clearly.

On the international level, we have a similar good news/bad news kind of thing. You have travelled throughout the world, so you have seen what has happened to development in many places. We have several models of development that have not worked. Most of them have been large scale development projects, whether they are Soviet-backed, socialist model development projects that have failed, or whether they are Western-backed large scale development projects that have failed because they have really worked on a feudalistic level with all kinds of dictators and kleptocrats.

We find that, throughout the world, development has not taken place in the way that we certainly hoped a couple of decades ago. However, what has happened in the midst of this bad news is some very good news. It is a parallel structure to what is happening in the United States. That is, thousands of local groups throughout the world have developed another model of development, a grass roots model, from the bottom up instead of from the top down. Lots of those organizations are funded precisely by the kinds of PVO's here in this country that will be getting this kind of funding. You see my point. We are at a time when there is a tremendous movement on the part of people to take life into their own hands, to take the quality and security of their life into their own hands. This is happening in many places, but it is not happening on the scale of the problem. It is not happening on the kind of level that is necessary.

This bill will provide a model for doing that on the next level up. It certainly does not take the place of Government funding, but it is a very important model. Just two more points here. One is the point that was made by several here already. We have a real well on the part of the American people that has not been tapped and there is a need for a vehicle to make that easy. One of the things that I wanted to say to the gentleman from the Treasury Department in terms of the simplification of the tax process, is that the simplest thing that I do every year when I fill out my tax forms is to mark off that $1 check-off for the Presidential elections. That is very simple and does not take long at all. It certainly is not complicated at all, although there are several other things on the form that are really complicated, and I think that is where they ought to be putting their efforts to simplify the Tax Code. I really don't see this as providing a tax problem and I do not see it as providing a problem for groups like ourselves of raising money, because in fact, I think what it will do is to awaken the American people to the possibility of helping these kinds of groups in a way that they never have before. Thank you, Mr. Chairman.

Mr. RANGEL. Thank you.

We are going to take another 10 minute recess to go over and vote on the House floor.

[Recess.]

Chairman LELAND. I apologize for the process here. We really do want to hear what you have to say, but sometimes things get a little confused around here. We do apologize for the interruptions and even though I am the only person here right now, hopefully my colleagues will be back soon. I think we ought to proceed because we are under some time constraints.

Mr. Ayres, had you finished?

Mr. AYRES. I had finished, yes.

Chairman LELAND. Mr. Chapin.

STATEMENT OF JIM CHAPIN, CHAIRMAN OF THE BOARD, WORLD HUNGER YEAR

Mr. CHAPIN. Thank you.

My brother, Harry Chapin, used to say that one of the mistakes that entertainers often make is that when the crowd is smaller

than they had hoped for, that then they insult the few people that are there in the name of all those who were not there. He said the solution is to preach the sermon in the best way that you can, even if it is only to the choir, and maybe the choir will go tell somebody else about it, so that is what I am going to do, if you don't mind keeping that religious metaphor.

What I would like to talk about—well, the people I would like to talk to are not in this room, which are the conservatives in Congress—but it seems to me that this bill answers many of the complaints that conservatives normally have about liberal social legislation. That is why it is depressing that even when something sort of fits the model which the Reaganites have imposed on social reality, that they often end opposing it, even though it seems to fit what they should, in theory, be for.

If one accepts the idea that government has any function at all in human society and that, as James Madison said a long time ago, "If men were angels, we would have no need of governments," then—well, as far as I know, not even Ronald Reagan in his opposition to government has suggested that we are all angels, and therefore that we do not need government. Government does something, and government has to stand in some relationship to the rest of society. Public and private sector have to have some relationship to each other. It seems to me that something that helps the private sector, that helps the social sector operate in a more efficient manner, is something that any conservative should be in favor of, particularly when it does so in a noncoercive way. In other words, admittedly, the conservatives in Congress do have somewhat varied ideas. They are in favor of lie detectors tests for every employee, but think that OSHA inspectors violate civil liberties, and so on. There is a somewhat selective choice on these questions. Nonetheless a noncoercive use of government should be one that they are in favor of. This is a voluntary use of government for social policy. So therefore, it seems to me, that on conservative grounds, one can make the case. Further, one can make the conservative case that this has been tested in the social laboratory of the States. That is to say that the Federal system has been allowed to operate, many States have done this, and just as the best of the progressive era legislation was tested at the State level before being brought to the national level, I think that the gentlemen here to my left has demonstrated that this is being carried out in a great number of States across this country in a great number of ways, and that most of the objections raised by the prior panel's testimony have fallen down. The same objections were made at the State level, and they have been answered. So in a sense we are hearing a repetition of things that should have been solved, if people want to use objective evidence, 10 years ago. We had the test, it has been tested, and therefore it is just time to move it to the national level. I suggest if there was a conservative in this room that is listening to what I'm saying, and maybe there is a staffer or somebody out there, that the argument can be made that this is exactly the best kind of conservative legislation, conservative, by the way, in the larger principle. A few conservatives, like George Will, have been honest enough to point out that it is a conservative principle to care about the next generation—that if you don't want your children raised in

starvation, societies have to be literate and have to be housed, and that we may be the first society in human history that seems to not care what happens to its own children. Any society that does that in the name of present comfort in present things is not a society that is going to survive very long, nor does it deserve to survive very long.

Chairman LELAND. Are you quoting directly from George Will? [Laughter.]

Mr. CHAPIN. I think I'm saying something that George Will at least says. George Will, at least says, more than many other conservatives, that we do have to be concerned about the WIC Program and inoculations, and so on. I am giving that much of an endorsement to George Will, a man with whom I have many other disagreements. Nonetheless, I would say that in all of these categories and all of these questions, this bill satisfies, it seems to me, a basic conservative principle. It requires no Federal expenditure, it does not coerce a single person in the population to do something that they do not want to do. It simply facilitates the operation of private charitable organizations to carry on their private work. Though I consider myself a fairly left-wing person—I do not believe that government can or should do everything—you can solve no problem with government alone, but you cannot solve any problem without government as well. It seems to me that in this case, we are allowing government to facilitate the operation of private organizations and that this is a clearly conservative bill, not a radical left-wing bill. I am surprised that there are not more Republicans on the sponsor's list for it. It really does not even use tax policy. It is simply giving an opportunity to people. Nonetheless, the fact is that we have long ago settled that question in America and all kinds of social causes are represented in the tax law by now, but this does not even change tax law. There is nothing in there that directly relates to taxes other than the fact that it is on a tax form to facilitate it. It is a consciousness-raiser, and I think that is important, too. It tells the private groups that they have to do certain things in order to get this money, and that is good. In the broader sense, it seems to me, that this is the kind of bill that ought not to be sponsored largely by 90 liberal Democrats. It ought to be sponsored by 535 Congressmen, because I cannot see a single thing in this bill that does not satisfy any conservative principle. It is noncoercive, it has been tested at the State laboratories, and the questions that were asked have been tested already. Going through the Federal system, this is public assistance to private operations in the ways that they function. So, that is the speech that I would give if there was somebody here to hear it, and I hope you will carry that message forward to those who ought to hear it.

Chairman LELAND. I will whisper it to these two guys. [Laughter.]

Yes, I will indeed, and I thank you very much.

Mr. Batteau, if you do not mind, we are going to ask Father Cunningham to make his statement next. I understand that he has to leave possibly earlier than the others of you.

Father Cunningham, if you would please proceed.

STATEMENT OF REV. WILLIAM CUNNINGHAM, COFOUNDER AND EXECUTIVE DIRECTOR, FOCUS:HOPE

Reverend CUNNINGHAM. Chairman Leland, thanks for the indulgence. It is nice of you.

Chairman LELAND. I'm Catholic. [Laughter.]

So is this guy, by the way. [Laughter.]

Mr. RANGEL. Then why wasn't he first? [Laughter.]

Reverend CUNNINGHAM. The indulgences are going the wrong way here. [Laughter.]

Congressman Rangel, it is good to see you again. It has been a marvelous hearing. Usually these hearings are long, competitive, argumentative, and depressing, but with the group of you sitting up there and the Congressman who had to leave, I must say you have done some good things for me today.

Chairman LELAND. Thank you.

Reverend CUNNINGHAM. You've improved my disposition about our Government.

I am grateful also to meet again with Congressman Bob Carr, who has been over the long and difficult haul, an enduring friend, particularly in the cause of feeding hungry folks.

Because in addition to being a Catholic priest, I am also Irish, some of the sermons in my church can go 55 minutes, because I am a little bit Baptist, too, so I am going to keep myself to these written remarks.

I am the executive director of Focus:HOPE, a Detroit based civil and human rights organization. Eleanor Josaitis, who is with me today to do some other good things in Washington, and I founded Focus:HOPE in the wake of the civil disturbances of 1967. Our goals are an integrated, just society in which all citizens have an opportunity to be productive and contributing members.

Focus:HOPE today has 450 employees and more than 30,000 volunteer workers. Our principal projects include job training, job creation, preschool education, day care, the Nation's largest Commodity Supplemental Food Program for low-income mothers, infants, and children, and for senior citizens. We provide a USDA food supplement each month to 39,000 mothers and children and 29,000 seniors, in no small part because of your help, Congressman Carr, and your efforts over the years. We have both philosophical and real-world contact with the hunger that amazingly lingers in the midst of our society's super abundance.

We believe in the right of every American to sufficient food to sustain and nurture life, and we are particularly concerned with infants and young children, who must receive proper nutrition in their formative years if they are to have an opportunity at all to emerge as alert sociable learning teens and adults. As a civil rights organization, we are most particularly concerned with the huge gap in health and development between whites and minorities as a consequence of hunger and malnutrition.

This bill proposed by Congressman Carr and Senator Daschle probably has not struck anyone as a civil rights bill, but I want to tell you today that this excellent piece of legislation is, in my opinion, exactly that, at least according to Focus:HOPE's concept of civil rights. Focus:HOPE believes that "civil rights" means not

only that every citizen has the opportunity to be productive, but that he or she bears the necessity of being a contributor. A person is not whole simply by being a productive person. People must go beyond that and give something back, locally and across the world, if they are to enjoy the full dignity of human existence. That is really what this bill is about. Beyond what we do in taxes, it is an opportunity to enhance the dignity and fullness of those who contribute.

This is a consciousness raising bill, a bill that will remind every taxpayer, once a year, of this most basic tragedy of hunger, and will allow him or her to be a contributor. Pragmatically speaking, I cannot think of a better time for a little consciousness raising than at a moment when someone is about to receive a little superfluous discretionary income.

What compels me to endorse this bill so heartily is not its impact on the taxpayer's wallet, but on his heart and mind. Whether he or she checks off "yes" or "no" on their tax return, and whatever percentage of the refund that they designate to fight hunger, they will have had an opportunity to exercise their free will to help solve our most intolerable problem in this world. They will have had an opportunity to be a contributor. They will have been forced during this annual transaction, in which they support all the various endeavors of the Government, both good and bad, to think beyond the level of a mere accounting procedure. They will, in effect, be asked to be a partner with their Government in alleviating suffering in their own Nation and abroad.

Our philosophy at Focus:HOPE has always been to invite people to join us in attacking the big problems. It remains amazing, after 20 years, to see how many good people answer that invitation. I see this bill as a small but important symbol, extending that invitation to all of our citizens. Indeed, we may be amazed at the response to this invitation, or maybe even embarrassed.

Congressman Carr, we at Focus:HOPE have valued your good counsel, and for years, your efforts on behalf of the poor and hungry in our State. We thank you for your help, most recently, to expand our local program to extend service to senior citizens, many of whom were eligible, at best, for $10 per month in food stamps. We wish you every success in sharing with your colleagues here, particularly with Congressmen Leland and Rangel, and on the House Floor, the wisdom of this legislation. Thank you.

[The prepared statement of Reverend Cunningham appears at the conclusion of the hearing, see p. 63.]

Chairman LELAND. Thank you very much.

The gentleman from New York, Chairman Rangel.

Mr. RANGEL. Father, I want to thank you for making me feel good about some of the work that we are involved in here at the Congress. I guess most of us believe that we can do God's work legislatively and politically and feel good about ourselves, and you certainly have moved me dramatically as to what we can do in Government.

One of the things that bothers me when I go to church, and now politically, to many churches, is how the spiritual leaders just take those that are in the church and hold them hostage about what people should be doing; and of course, those that don't go to church

are the ones that they are really talking about. The things that I have to say about your testimony, of course, do not apply to you, because you have indicated that you are doing God's work. You have taken the time out, you have listened to testimony, you have fought over the years, and Bob Carr is indeed fortunate to have you as a friend and spiritual advisor.

But I tell you what I don't understand is that—I serve on the Ways and Means Committee and we have jurisdiction over the elderly with Medicare, Social Security, SSI, and we also deal with the infants through the Aid To Dependent Children Program and so forth. This room we are in today is a little room; this room is nothing compared to our main hearing room. When we are dealing with tax privileges, that room is absolutely packed with people from the oil industry, the insurance industry, real estate, you know, "real America" is in there, and the ones who cannot get in there are lined up in the hallways. Then, when we are dealing with the poor, the hungry, or the disadvantaged, we can move into a room like this and have many empty chairs. I just do not understand why, with all of the rabbis and ministers and priests that we have in our country, how they do not really see poverty and hunger and despair and powerlessness and disease and starvation as the most important thing on their agenda. I just cannot perceive how one can talk about life before birth and just seem to forget the misery and the pain of life after birth. Somehow, I would think that whether we have a Republican or a Democratic administration, that in that moral issue, not whether you or liberal or conservative or Republican or Democrat, but in such a moral issue, where the American people would know that no matter what faith you belong to—did you take care of those who have pain today? Did you bathe someone that was in need? Did you feed somebody that was hungry? Did you give some water to somebody that was thirsty? Did you pass something on to somebody that had no clothes? Then no matter what else you did during that week, that month, that year, you have to feel, no matter what faith you're involved in, that you did something. It takes people like you to make us feel good in what we do here, but Father, it is so lonely down here, so very lonely. Let me thank you for making us feel like we are somebody. We are encouraged. We have a lot more to do, but it is helpful when people who have dedicated their lives to helping people take the time out to encourage us to join them. Thank you very much.

Chairman LELAND. I want to ask the gentleman from Michigan, Mr. Carr, if he has any comments or question that he would like to make to Father Cunningham.

Mr. CARR. Only that we are all aware that the Catholic Church has a marvelous hierarchical structure, and a lot of that is in the Detroit area——

Mr. RANGEL. You will give equal time to the Archdiocese of New York, won't you? [Laughter.]

Mr. CARR. Very good. I do think that the important thing is that for a lot of us who are not Catholic, Father Cunningham is the priest for all the rest of us in the Detroit area, and we really look to him. He is a civic leader, a community leader, and literally the entire population of Southeast Michigan is his congregation.

Mr. RANGEL. We could start a "share a priest" campaign. [Laughter.]

Chairman LELAND. Father, thank you very much.

Last year I was with the Holy Father and I spent 5 minutes with him, which is a lot of time, considering. I went all the way there to spend that 5 minutes so we could talk about world hunger. I was very happy to say that he, on my advice—I guess I am really trying to sound senatorial now, but without politics—he said that what I need to do is to speak more clearly about the issue of hunger in the world, and that made me feel very proud as a Catholic. The Holy Father and I may have disagreements on a lot of other things, but I didn't talk to him about those and I would not presume to——

Mr. RANGEL. I know he is losing a lot of sleep over that. [Laughter.]

Chairman LELAND. I must say that, being Catholic, it makes me very proud, more than having the privilege of having met with the Holy Father, I am very proud that there are people like you doing the good that you do in Detroit, which has ramifications throughout the whole country and the world. I was never more proud then when I was in Ethiopia and the person who was there leading the relief efforts was so fantastic. I do not want to sound parochial, but I can tell you that the Catholic Church does do a lot of good and I am very proud of that, and your statement has made me even more proud. Thank you so much for being a good human being.

Reverend CUNNINGHAM. Thank you both, and bless you.

Chairman LELAND. Mr. Batteau, thank you so much for being so patient. You're on.

STATEMENT OF ROBIN BATTEAU, PERFORMER/SONGWRITER, BOARD MEMBER, WORLD HUNGER YEAR

Mr. BATTEAU. Trying to follow Father Cunningham and the presence of an advocate like that gives me an idea of what George Bush must feel like. [Laughter.]

Thank you, Chairman Rangel and "Senator," I mean, Chairman Leland, and Bob Carr, the "Heartbeat of East Lansing." Thank you for inviting me here to be a part of these hearings. I know some of you are thinking I am just another dumb musician who thinks he can save the world, but just about everybody, even a dumb musician, has at least one good idea in his life, and this one is mine.

H.R. 81 is not the bill I had in mind when I flew down here 2 years ago. It's better. It is better because of what Bob Carr, and Diane Blagman put into it, and what Sharon Robinson put into it, and what the experience and wisdom of the many other outstanding people we spoke to put into it. In fact, the more we talked, the better the bill became, which is what the bill is all about, anyway. It is about involvement and it's about how when you get everybody involved, the problem gets solved.

These hearings should make some new people listen, and start some new people talking, and make the HEART beat even stronger. And then maybe once it's beating so strong that the whole world listens, I can go back to my guitar, and leave all of you alone, because, frankly, I'd rather be singing. Not that I'm that great a singer, but at least you never have to wear a tie.

Still, being a singer, especially a sometime folk singer, carries other responsibilities, one of which is performing benefit concerts. Benefit concerts are special occasions where stagehands get paid double-overtime while the musicians get their choice of baloney or peanut butter and jelly, and, if there is anything left over after paying the concert insurance, the charity collects enough to keep going for another month or so. The only reason we do them is because we know there are plenty of people who never even get to choose between baloney or peanut butter and jelly.

Three years ago, I produced a series of weekly charity concerts in New York for World Hunger Year. By the time we got to our twelfth and last show, we had run out of new singers we could talk into it, so we staged a mock benefit for Joanna Carson, who at the time was suing Johnny because she couldn't make ends meet on $40,000 a month. So we threw her a benefit concert—what else could we do? Somebody had to do it. We had a giant cardboard check made out for $3.18. The real money, of course, went to World Hunger Year. The concert was fun, but it was a sad end to the series. As I looked out at the audience, I saw the same faces I had seen eleven times before, "the faithful." We were "preaching to the choir." There had to be a better way, a way to get millions of new people involved in the fight against hunger and want, a way to get more funds to better organizations, to boldly go where no cause has gone before.

Of course there is a better way, just like we knew all along there would be. Just listen to your heart. Listen to your heart. If we listen to our hearts, the way is clear.

The HEART bill is not the only answer. The HEART bill is merely a way of posing the question to the right people, the regular Joes and Janes that make up the great majority of the population, the ones who always wind up paying most of the taxes, the ones who, because they are neither very rich nor very poor never make headlines, the ones who overwhelmingly responded to a recent poll on national problems and priorities by saying that they would be happy to pay an additional $100 in taxes if they knew the money was going to the hungry and homeless. We're talking about over 100 million people, potentially, donating some part of their $900 refunds, to go to the charities that make up the vanguard of hope in America. Imagine what that could do.

Some people have said to me that the world doesn't need a new bureaucracy, but they have not read the bill. There are strict limits on spending within the bill to make that impossible. Some people have said to me that hunger is the government's job, not the people's. I don't know who they think the government is—537 invaders from the "planet law school?" And I challenge anyone to show me a society where there is no gap between what the government can do, and what must be done. The HEART bill is asking government people to let nongovernment people do the best job they can do of filling that gap. It is a problem as constant and as vast and various as the stars in the sky. But I believe the better job we do, the better job you can do.

There are a million little jobs to be done. From South of Houston—Texas—to South of Houston—New York—from East Lansing to Capetown, the problems are special to each community and

every individual. Every problem has its own particular solution. The HEART bill wants to fund as many solutions as there are problems. We are including people. We are making every average person's $2 contribution worth $2, instead of being eaten up in fund-raising and administration costs, the costs that every charity, especially the small ones, incur. And because people can be sure that the charities receiving their donations are on the up and up, they can feel confident about raising their donations. We are building a bucket to catch the little drops of rain so that with this bucket we can water a garden and make it grow.

Some people complain to me that this one line will complicate the tax form, but most Americans don't itemize. Their taxes are simple, though paying them is never easy. But signing up for the fight against hunger becomes easy, meaningful, and sure, when our strong yet gentle little box joins the ritual of the "Ides of April." I think gentle strength is what we're talking about here, the courage to be kind, the fire that warms the heart without burning the soul.

My grandfather, Juan Matos, died Monday at the age of 90. Things are so gentle on the edge of death. He enjoyed a few extra days because one nurse took a special interest and cajoled him into eating more after he had said, "No more," to the regular duty nurse. It was a small thing, a week of life in a very old man, yet it illustrates the difference between institutional care and personal attention, the need for both government and charity, and it touched me deeply.

Back when he and my grandmother Carmen were both alive, we would all finish dinner, laughing at the same old stories together, and one of the family would say, "Buen provecho," and everyone else would say, all together, "Eguamente." Roughly translated, "Buen provecho" means, "Man, that was some chow," and, "Eguamente" means, "Boy, I'll say." But the more literal translation is even better; "Good food—equally." It sounds a lot like, "All men are created equal," which was a phrase made up by a group of lawyers who were, of course, what else, having lunch.

I sing about food a lot these days. Apart from the Heartbeat of America, I'm also the singer/songwriter on the new campaign themes for McDonald's, Kentucky Fried Chicken, Cheerios, Coca-Cola, and a lot more on the side. I'm lucky that way. And since marrying Wendy in January, I figure I've got to be the luckiest man in America, with the possible exception of Ronald Reagan. I have no idea why, but when it comes to advertising, this dog can really hunt. I know how lucky I am, and I am here because there are millions of Americans who are hungry and millions of non-Americans who are starving. In the words of Booker T. Jones and William Bell, "If it wasn't for bad luck, they wouldn't have no luck at all."

Thank you again for having me here today at this special kind of benefit performance. Joe Louis knew that all his charity appearances plus a subway token would get him a ride on the uptown "A" express. But he kept on doing them anyway. I'm not an easy knockout either. But the HEART bill is a sure winner. Thank you.

[The prepared statement of Mr. Batteau appears at the conclusion of the hearing, see p. 65.]

Chairman LELAND. Thank you very much. [Remarks made in Spanish.]

What a compelling testimony, thank you very much.

It is hard to go back to the conventional questioning of witnesses after that very extraordinary testimony, but let me try to do that.

Mr. Birch, has the income tax check-off provided a reliable, steady source of funding for child abuse prevention?

Mr. BIRCH. For the most part, the funds collected have been pretty level from year to year. There have been some ups and downs. In West Virginia, last year, they dropped about one-third, but for the most part, once the funding has gotten up and the public is aware that the check-off is on the return, the money is there and reliable enough that the organization can plan and make programs possible.

Chairman LELAND. Let me ask that in another way, then. What would happen if, in fact, the income tax check-off was not there?

Mr. BIRCH. I think that we would see a lot of programs, at least in this case of the prevention of child abuse, closing down.

Chairman LELAND. What have been the principal difficulties encountered in developing support and awareness for income tax check-offs?

Mr. BIRCH. I think the most difficult assignment has been to make people aware that the income tax check-off is on the return and what it means and what it is for. States have been very creative in what they have done. They have brought in entertainers to do public service ads on television and radio, they have done billboards and posters on buses and subways, they have included information sheets in all of the State employees' W-2 form envelopes, they have worked with H & R Block; and once you get the crowd that is advising people on how to fill out their income tax forms aware of the check-off, then you really have some advocates who can help you in spreading the word.

Chairman LELAND. Earlier, when the gentleman from the Treasury Department was here, we asked the question about the check-off and he made reference to the point that, if in fact, we did this, what about the other issues people would feel compelled to ask for check-offs in other areas. Do you feel that targeted check-offs like what we are talking about here are appropriate, or what has happened in the instances where you have had this applied when other issues have come to the forefront and others have asked for check-offs? Has that been a problem—do you think the generic check-off is a better system, or should we talk about more targeted areas?

Mr. BIRCH. I think that a more targeted approach works better. I have some experience with some of the other check-offs on work that I do with State and local arts councils, and there are three States that have arts check-offs, where the money goes for a very specific cause that the individual contributor or the potential contributor can easily understand and identify with, and the expression of need can be specific. Obviously, there is the potential for competition, as other check-offs come on the return, but that, to my knowledge, has not been the source of any significant drop-off in funds for these Children's Trust Funds, once other check-offs have come on the return. I think it is a case of whether a particular need appeals to the individual. The wildlife conservation check-

offs have been sort of leap-frogging with the Children's Trust Fund check-offs as you move around the country from State to State. It may just be that for some people, one cause is more important than another, and if it were not on there, they would not be inclined to give to a cause that did not interest them.

Chairman LELAND. Mr. Ayres, based on the experience and activities designed to educate the public about the costs and extent of hunger, how widely do you think that this legislation, if enacted, would expand knowledge about this problem and generate real support for hunger alleviation efforts?

Mr. AYRES. You never know precisely, but the fact that all of those millions of people would be reached directly, and as was mentioned before, we would have an opportunity to do public service announcements and have conversations with a specific group of people who deal with taxes, it would give us a wonderful opportunity to both educate people and to raise money. That is something that we know how to do, but it gives us a whole new avenue to do it. As an organization that is primarily an educational organization, we would really welcome an opportunity to reach a whole group of people that we do not reach, and not just that we do not reach, but that the vast majority of hunger groups and charitable groups do not reach. I think that the potential here is enormous and it is a very inventive and rather painless way—I said earlier, that checking that little box off, as I do every year, for the Presidential Election Campaign Fund, is the easiest thing I do, other than writing my name. I think that this would rank along those lines, as being a very easy thing to do.

Chairman LELAND. Mr. Chapin, would you like to comment?

Mr. CHAPIN. I made an impassioned speech in behalf of the missing conservatives, so I would simply underline the fact that this bill does reach a large proportion of the people. This is a way for the Government to bring to the people a problem which they should respond to and it is a noncoercive way, one of the few noncoercive things that the Government does on that tax form. The rest is very coercive indeed, so it seems to me that in terms of consciousness raising, in terms of making us aware that we are all in this together as a society, I cannot think of a better tool.

Chairman LELAND. Mr. Batteau, you are a major proponent of this legislation, and the unofficial author or coauthor in spirit, even though officially we cannot put your name on it. You have expended a great deal of your energy promoting it, and for that, we thank you. What efforts have you pursued to secure similar check-offs on any of the State tax forms?

Mr. BATTEAU. I have not pursued that.

Chairman LELAND. What prompted you to push the idea for a tax form check-off rather than lobbying for more Government funding for hunger programs?

Mr. BATTEAU. Because I felt that what was missing from the equation was a lot of people. There are people who are just not part of the loop. A lot of times, people feel left out of the process of decision making. They are left out of the judgments of how to do things to make things better, and I think that what this does is make people a part of that process. It could make 100 million

people, overnight, a part of the army that is fighting hunger, and that is the difference.

Mr. RANGEL. Mr. Chairman, could I take this opportunity to thank the panel for its illuminating testimony. My full committee is meeting now, and I have to go, but I want to thank you for giving me the opportunity to cochair this hearing.

Chairman LELAND. Thank you very much.

What you are saying, Mr. Batteau, is that a lot more people would possibly get involved in this whole struggle against hunger if given the opportunity and the facility in a measure like this. I share you sentiments and I certainly hope this will be passed in 1989.

The gentleman from Michigan, Mr. Carr.

Mr. CARR. Thank you, Mr. Chairman, and thank all of you for your contribution here today. I would be remiss, too, if I did not acknowledge, for the record, the great work that Sharon Robinson from my staff has done on behalf of this. She had marched to all those offices with Robin and Wendy, because I could not go to them all, and I want to thank her.

A suggestion came to us, Mr. Chairman, through one of those meetings, that I think ought to be put on the record. It was made by Congressman Bob Smith of Oregon, and I hope that the legislative committee will consider it. He pointed out that it may well encourage more Members of Congress to support, by way of cosponsorship and hopefully passage, if a provision was added to the bill which would in some measure guarantee a wide distribution of the trust fund moneys. He was responding to the concern that many members from rural areas feel that the trust fund would, in some benign conspiracy, end up funding programs in urban areas and not rural areas, or that certain states with more urban populations may have better networks to apply for money and that we needed to guarantee a wide distribution of funds. I thought that was a very helpful suggestion on his part, and that if he were here today, he would have made that, and I want to endorse his concept.

Chairman LELAND. If the gentleman would yield. I certainly think that the gentleman from Oregon has a point, because we have known that there have been great disparities in terms of distribution of programs. We are talking about everything from food stamps to Meals on Wheels primarily due to the fact that the major advocates for these programs have usually been urbanites, if you will, and representatives from urban communities.

Mr. CARR. I would just hope that the record would include that, and I know that there are some staff people here from the tax writing committee, and perhaps they would consider that as a friendly inclusion.

I also hope that we can find some way, rhetorically, to differentiate between earmarks of taxes paid and earmarks of refunds. We tend to lump that together in the same word as being "check-offs," which really does not describe that there is a difference. It ends up—I have seen it in the Treasury Department presentation today and some of the remarks made—it gets lumped with Presidential election funding check-offs if you use the word check-off. We could find another word or at least preface it with, "refund check-off," as opposed to "tax check-off." We really are not in the business of

trying to direct Government dollars, and hopefully, the tax writing committee could help us in that regard.

I particularly like the suggestions that were passed from the States to us through Mr. Birch, that perhaps in addition to what we have put into the bill, we ought to consider this endowment concept. I do not know whether that is something that is really able to be done at the Federal Government level, but I think that along with the more formal limitations on the length of the list or the threshold of dollars, together with the endowment concept, that would assuage the fears of some who feel that this is going to be a long laundry list and that once someone is on, you will never be able to get them off, and all those other things. If H.R. 81 is the one to move this concept to other causes, it will be a precedent setting bill, and I would hope that the tax writing committee would look at some of those built-in mechanisms which would help us if others come along with their good causes which they want to add, that we will have some precedents established about the limitations.

All of these people, as I said before, are my friends, and I am proud of all of them and of our friendship.

Thank you for holding this hearing today.

Chairman LELAND. Thank you very much for giving us reasons to hold this hearing, and thank all of you. You have been absolutely wonderful. [Remarks made in Spanish.]

Thank you very much. The committee is adjourned.

[Whereupon, at 1:32 p.m., the committees were adjourned, to reconvene at the call of the Chair.]

[Material submitted for inclusion in the record follows:]

Prepared Statement of Hon. Bill Emerson, a Representative in Congress From the State of Missouri

MR. CHAIRMAN, TODAY THE SELECT COMMITTEE ON HUNGER IS HOLDING A HEARING ON H.R. 81, OR THE HEART BILL.

SINCE EARLIEST TIMES, WE AMERICANS HAVE JOINED TOGETHER TO HELP EACH OTHER AND TO STRENGTHEN OUR COMMUNITIES BOTH HERE IN THE UNITED STATES AND OUR NEIGHBORS AROUND THE WORLD. OUR DEEP-ROOTED SPIRIT OF CARING, OF NEIGHBOR HELPING NEIGHBOR, HAS BECOME AN AMERICAN TRADEMARK -- AND AN AMERICAN WAY OF LIFE.

THIS HEARING WILL SERVE AS AN IMPORTANT FIRST STEP TOWARDS THE RELIEF OF DOMESTIC AND INTERNATIONAL HUNGER. THE HEART BILL WOULD SIMPLY ADD A LINE TO THE TAX FORM TO ALLOW INDIVIDUALS TO CONTRIBUTE ALL OR PART OF THEIR INCOME TAX REFUND TO A TRUST FUND FOR THE RELIEF OF HUNGER EVERYWHERE.

THE POTENTIAL POWER OF THIS LEGISLATION IS EVIDENT IN THE SUCCESS OF STATE INCOME TAX CHECK-OFFS. WHILE THE IMPACT OF AN INDIVIDUAL TAXPAYER'S CONTRIBUTIONS MAY NOT BE READILY APPARENT, THE AGGREGATE CONTRIBUTION FROM SUCH AN EFFORT COULD FEED MILLIONS OF PEOPLE.

MR CHAIRMAN, I WOULD LIKE TO THANK YOU AND EXPRESS MY APPRECIATION FOR YOUR WORK ON THIS HEARING, AND I LOOK FORWARD TO THE TESTIMONIES OF OUR WITNESSES.

PREPARED STATEMENT OF HON. BOB CARR, A REPRESENTATIVE IN CONGRESS FROM THE STATE OF MICHIGAN

Good Morning.

I want to thank my colleagues on both the Ways and Means Committee and the Select Committee on Hunger for scheduling this hearing to examine the potential impact of H.R. 81, the Hunger Emergency Assistance and Relief Trust..the HEART bill...on efforts to alleviate hunger. I am confident this bill can bring us closer to the goal of eliminating hunger world wide.I

But first...I want to note that this bill is numbered "81". That is the year Harry Chapin died. Harry Chapin was a friend of mine. Not only was he a gifted songwriter and performer, but he was truly a compassionate and caring human being as well. He felt so deeply about his fellow human beings that in 1975, he and Bill Ayres began "World Hunger Year." Harry was also appointed a member and was really the founder of the President's Commission on World Hunger....which began in 1978. That same year, he opened the "Food Policy Center" which monitored the work of the Hunger Commission and helped draft legislation based on findings of the commission.

His interest and awareness of world hunger, combined with his knowledge of hunger issues, led millions of people to listen to his radio-thons. These were conducted around the country.....long before it was popular to do benefits for the hungry.

Harry Chapin was not the first entertainer to walk these hallways here in Washington, but he was probably among the first to come here and roll up his sleeves and work at it like he was a real part of the process....as he was. He personally got Members of Congress involved and aware of hunger issues. He warned us that the problem of world hunger was looming on the horizon...now, we see that his prophecy was true.

Today, in America alone, over thirty five million citizens live in poverty. That is, 14% of all Americans survive on an amount of money which is less than the United States government has declared a person could afford to keep a roof over their heads, clothes on their bodies, and food in their stomachs. To live, they rely on food assistance programs which are struggling and in many ways failing to meet new demands. The result is that 20 million Americans are going hungry at least three days out of every month and are suffering from the long- and short-term effects of chronic malnutrition.

Many of the today's trickle-down theorists have written off hunger as a trivial problem which will ameliorate itself through continued national economic growth. However, the results of almost every recent study on hunger in America reveal that the opposite is true. Hunger is steadily growing in America, and it is widespread!

There have been huge increases in the number of recipients who are seeking emergency food assistance on a regular basis and relief centers are in short supply. More and more people are being turned away, more and more agencies are limiting the number of times the same persons can get food, and generally there are longer lines, longer waits and an overall decrease in the quality of services at relief centers.

However, the real effect of the hunger problem goes far beyond the physical suffering induced through lack of food. Chronic malnutrition leads to decreases in child growth rates, learning abilities and development, an increase in the infant mortality rate, and the destruction of entire families.

H.R. 81 is an attempt to put food and resources where they are needed...just as Harry Chapin envisioned not so long ago.

The concept of this bill is simple. Those people who get refunds from the federal tax returns could designate part of that refund to go to a trust fund for domestic and international hunger relief. Nearly 100 Members of Congress have co-sponsored the HEART bill, and I'd like to invite those who have not to add their names to the list.

The Hunger Emergency Relief Trust Fund is established in the Treasury of the United States and overseen by a Commission that directs the Secretary of the Treasury to pay qualified hunger relief organizations.

The Commission consists of:
five non-paid Members serving three year terms. The President appoints four members, two Democrats and two Republicans. The Presidential appointees subsequently appoint a Chairman.

Funds shall be made available to any hunger relief service organization that:
is recognized by the State in which it is organized and maintains its principal place of business, as a charitable organization whose principal purpose is the relief of hunger and has been in existence for at least two years, and is exempt from federal tax. It must not use more than 22% of its annual budget for administrative costs and has satisfied the Commission that it has developed and is able to implement a hunger relief plan. It agrees in writing to be audited and examined by the Commission.

The Commission requires that organizations:
use ***at least*** 50% of funds paid from the Hunger Relief Emergency Trust Fund for domestic hunger relief and use not more than 10% of funds paid from the Trust Fund for administrative expenses. It must use the Trust Fund payment ***exclusively*** for implementation of their hunger relief plan.

Organizations not complying with the Commission's requests:
will be notified of any prohibited acts and will be required to repay the Secretary of the Treasury for any violation and may lose tax exempt status during the period of any violation.

I am confident the HEART bill has the potential of providing millions of dollars of emergency food assistance to hungry people. Its potential is evident in the success of the Presidential Election Campaign Fund box which has generated over $500.4 million since it first appeared on the tax form in 1973. This box limits individual contributions to $1, and the average amount of revenue generated each tax year is $36.2 million. An all-time high of $41 million was reached in 1981. The Presidential Election Campaign Fund currently has a balance of more than $177.5 million.

The IRS estimates that over 75 million people receive tax refunds each year, averaging $914. Moreover, a recent poll by a national polling agency for the National Coalition for Hunger and Homelessness indicated that an overwhelming majority of taxpayers polled designated hunger a first priority, and around 80% of those polled would be willing to give up an extra $100 of their taxes if it were designated for the fight against hunger.

While the impact of an individual taxpayer's contribution may not be readily apparent, the aggregate contribution from such an effort could help feed several developing nations.

The beauty of this bill is that it would have virtually no budget impact. At a time when we are faced with an enormous budget deficit, it is fitting that we concentrate our efforts on ways we can positively impact on hunger without straining or taking funds away from the budgets of other crucial programs. The money collected for the [illegible] would be food money, not tax money, and the IRS would only be required to write one check per year to the trust, which would then assume all administrative responsibilities.

I am proud to have my name on this bill. It is a responsible approach. Although this bill, in itself, is not the panacea to the hunger problem, it tackles the immediate problem of getting food in hungry people's stomachs, and will help Congress and the American people focus on this urgent problem. With this bill...we can make a strong statement now against hunger and ultimately, back that up with a new source of funding to fight hunger.

Thank you.

Prepared Statement of Senator Tom Daschle, a U.S. Senator From the State of South Dakota

Thank you, Chairman Leland and Chairman Rangel, for giving me the opportunity to testify today before your Committee and Subcommittee in support of Representative Carr's legislation (H.R. 81), the Hunger Emergency and Relief Trust Act of 1987. As you know, I am the sponsor of the Senate companion (S. 1135) of this legislation. As a former member of the House Select Committee on Hunger, I am especially pleased to testify today.

First, I want to commend Representative Carr for his leadership on this issue. He has fought long and hard to bring the Hunger Emergency Assistance and Relief Trust Act of 1987 to this point, and he deserves high praise for his efforts. He was the person who convinced me that the idea of a tax refund check-off was an innovative means of involving individuals in the effort to address domestic and global hunger. I am grateful for his commitment and dedicated work.

As a farm state senator, I am acutely aware of the continuing tragedy of widespread chronic hunger and malnutrition and the glaring fact that it doesn't have to be that way. Given the world's overall agricultural surpluses, there is no excuse for the human suffering from lack of food that takes place every day.

As with many of the other weighty issues facing us, the sheer enormity of the hunger problem is sometimes so overwhelming that it leaves us virtually paralyzed as policy makers. While this reaction is understandable, it also gets in the way of a responsible solution.

Hunger is a solvable problem, and it is time for us to solve it.

Obviously, hunger is often caused by factors outside our immediate control: poverty, drought, etc. But that does not mean that we cannot 1) attack those underlying problems in a long-term effort to eradicate hunger, and 2) attack the immediate problem of getting food to hungry people. I believe one of the most essential tasks in this effort is to tap the grassroots political will to end hunger.

The Hunger Emergency Assistance and Relief Trust Act of 1987 addresses that challenge. H.R. 81/S. 1135 would add a line at the end of federal income tax forms to allow taxpayers to contribute all or part of their income tax refund to a trust fund for the relief of domestic and international hunger. The money would go to qualified private, non-profit relief agencies and would be administered by a non-paid, five-member commission. Qualified relief agencies would be required to use the Trust Fund payment exclusively for hunger relief and to use at least 50% of the payment for domestic hunger relief. The Hunger Emergency Assistance and Relief Trust Act would have virtually no budget impact; the IRS would only be required to write one check per year to the Trust Fund, which would then assume all administrative responsibilities.

The potential power of this legislation is evident in the success of other tax check-offs (for Presidential campaigns and state efforts such as child abuse and wildlife funds). While the impact of an individual taxpayer's contribution may not be readily apparent, the aggregate contribution from such an effort could feed several developing nations. Furthermore, this bill would ensure that, at least once a year, individual people think about how they can become involved in the effort to combat hunger.

Certainly I recognize that the tax check-off offered in H.R. 81/S.1135 will not feed all the world's hungry people or eliminate all the underlying causes of hunger and malnutrition. In addition to famine relief efforts, we need to pursue an internationally coordinated policy to address chronic hunger and poverty, as well as a national policy to maintain a domestic infrastructure that is responsive to basic human needs. We also need health care and development policies on both the national and international levels.

In spite of what sometimes seem to be overwhelming obstacles to the effort to eradicate hunger, it is, as I said earlier, absolutely vital that we face up to the challenge. We cannot leave it to others, and we cannot write the problem off as "too big." We live in a global community, and hunger is our problem. If enough people think about the problem and support its potential solutions, we can and will ensure an adequate food supply for everyone. The legislation Representative Carr and I are proposing would take us one step closer to that point.

H.R. 81/S. 1135 is not, in itself, a panacea, but this legislation can provide tangible assistance to hungry people and help Congress and the American public focus on this urgent problem. These are worthy goals. I hope you will be able to offer your strong support for the Hunger Emergency Assistance and Relief Trust Act of 1987.

Thank you.

DESCRIPTION OF H.R. 81:
DESIGNATION OF OVERPAYMENTS ON TAX RETURN FOR THE HUNGER EMERGENCY ASSISTANCE AND RELIEF TRUST

Scheduled for a Joint Hearing

Before the

SUBCOMMITTEE ON SELECT REVENUE MEASURES

COMMITTEE ON WAYS AND MEANS

and the

SELECT COMMITTEE ON HUNGER

on August 4, 1988

Prepared by the Staff

of the

JOINT COMMITTEE ON TAXATION

August 3, 1988

JCX-21-88

INTRODUCTION

This document,[1] prepared by the staff of the Joint Committee on Taxation, provides a description of the provisions of H.R. 81 (the Hunger Emergency Assistance and Relief Trust Act). A joint hearing is scheduled on the bill on August 4, 1988, before the Subcommittee on Select Revenue Measures of the House Committee on Ways and Means and the House Select Committee on Hunger.

H.R. 81 would amend the Internal Revenue Code to allow taxpayers to designate on their Federal income tax return part or all of tax overpayments (refunds) as a contribution to a trust fund (Hunger Emergency Assistance and Relief Trust) established by the bill for the relief of domestic and international hunger. The Secretary of the Treasury would disburse amounts authorized by the Hunger Commission (established by the bill) from the Trust to qualified hunger relief services organizations. The Commission would be required to submit annual reports to the Congress.

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[1] This document may be cited as follows: Joint Committee on Taxation, Description of H.R. 81: Designation of Overpayments on Tax Return for the Hunger Emergency Assistance and Relief Trust (JCX-21-88), August 3, 1988.

DESCRIPTION OF H.R. 81[2]

Designation of Overpayments on Tax Return for the Hunger Emergency Assistance and Relief Trust

Present Law

Under present law, individual taxpayers may elect to allocate $1 ($2 on a joint return) of their tax liability to the Presidential Election Campaign Fund, a fund established to provide financing to the campaigns of presidential and vice-presidential candidates (Code sec. 6096). An election to make an allocation to the fund neither increases nor decreases the taxpayer's liability, but merely determines whether the allocated amount will be used by the Federal Government for Presidential campaign financing.

No other provisions of Federal tax law permit taxpayers to designate for what purpose the amount of tax owed is to be used by the Government. Present law does not permit taxpayers to make contributions for charitable or other purposes through designations on their Federal income tax return.

The Commissioner of Internal Revenue, in the instructions to Form 1040, has encouraged taxpayers to include with their tax return voluntary contributions to reduce the public debt. Taxpayers wishing to do so must enclose a separate check (as a tax-deductible contribution), payable to the Bureau of Public Debt.

Explanation of the Bill

Designation of income tax refunds for Hunger Emergency Assistance and Relief Trust

Under the bill, persons (including individuals, corporations, estates, and trusts) entitled to an income tax refund could designate part or all of the refund as a contribution to the Hunger Emergency Assistance and Relief Trust, a trust fund that would be established by the bill within the United States Treasury. The designation would not increase or decrease the taxpayer's tax liability for the year covered by the return.

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[2] H.R. 81 was introduced on January 6, 1987, by Representative Carr.

Disposition of amounts in Trust

The Secretary of the Treasury would disburse amounts authorized by the Hunger Commission, a commission that would be established by the bill, from the Trust to qualified hunger relief services organizations.

A qualified hunger relief services organization would be defined as any tax-exempt, charitable organization recognized under State law which has as its principal purpose the relief of hunger; has been in existence for at least two years; uses not more than 22 percent of its annual budget for administrative costs; has developed, and is able to implement, a hunger relief plan;[3] and satisfies certain other requirements of the Hunger Commission. All qualified organizations that receive amounts from the Trust must make a matching contribution to the hunger relief plan.

Qualified organizations which receive funds from the Trust would be prohibited from engaging in certain acts, including (1) failing to make a matching contribution to the hunger relief plan, (2) failing to properly use the amount paid and the matching contribution in connection with the hunger relief plan, (3) using more than 10 percent of the amount paid or more than 10 percent of the matching contribution for administrative expenses, or (4) failing to comply with certain Hunger Commission requests.

Establishment and powers of Hunger Commission

Under the bill, a Hunger Commission would be established, consisting of four members to be appointed (on a bipartisan basis) by the President and a fifth member to be appointed by the Presidential appointees as the Chair of the Commission. The Commission would direct the Secretary of the Treasury to pay from the Trust to any qualified hunger relief services organization up to $100,000 per year for the purpose of providing hunger relief services under a hunger relief plan.

The Commission must authorize the payment of funds within 180 days after such funds are received by the Trust. In addition, at least 50 percent of the amounts received by the Trust are to be paid to qualified organizations to provide hunger relief services in the United States. The Commission would be required to submit annual reports to the Congress.

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[3] A hunger relief plan is a plan for the amelioration or alleviation of actual or threatened starvation or severe malnutrition of individuals.

The Commission would be empowered to hold hearings, conduct audits, obtain official data,[4] and issue subpoenas for the purpose of performing its duties. If the Commission determines that an organization receiving a payment from the Trust has engaged in any prohibited acts, the organization would be required to pay the amount involved to the Secretary of the Treasury to be redeposited in the Trust.

In addition, the Commission could direct the Secretary to deny the organization tax exemption for taxable years after the taxable year during which the prohibited act occurred.

The bill would authorize appropriations up to $150,000 per fiscal year for administrative and staff expenses of the Commission.

Effective Dates[5]

The designation of contributions to the Trust would be effective for returns filed for taxable years beginning after December 31, 1986. The Trust would be established with respect to amounts received after December 31, 1986. The provisions providing for the distribution of hunger relief funds would take effect on January 1, 1987.

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[4] The Commission could obtain information directly from the Internal Revenue Service as to whether an organization is tax exempt under section 501(c)(3) of the Code.

[5] These dates are as included in the bill as introduced. It is intended by the sponsor that these effective dates would be moved forward on enactment of the bill.

Highlights of H.R. 81/S. 1135
The Hunger Emergency Assistance and Relief Trust Act of 1987 (HEART)

introduced by Congressman Bob Carr and Senator Tom Daschle

The Purpose of H.R. 81/S. 1135 is:

✓to amend the tax code by inserting an additional line on federal income tax forms to allow individuals to contribute all or part of their income tax refund to a trust fund for the relief of domestic and international hunger.

The Hunger Emergency Relief Trust Fund is:

✓established in the Treasury of the United States.
✓overseen by a Commission that directs the Secretary of the Treasury to pay qualified hunger relief organizations.

The Commission consists of:

✓five non-paid Members serving three year terms.
--The President appoints four members, two Democrats and two Republicans.
--The Presidential appointees subsequently appoint a Chairman.

Funds shall be made available to any hunger relief service organization that:

✓is recognized by the State in which it is organized and maintains its principal place of business, as a charitable organization whose principal purpose is the relief of hunger.
✓has been in existence for at least two years, and is exempt from federal tax.
✓uses not more than 22% of its annual budget for administrative costs.
✓has satisfied the Commission that it has developed and is able to implement a hunger relief plan.
✓agrees in writing to be audited and examined by the Commission.

The Commission requires that organizations:

✓use ***at least*** 50% of funds paid from the Hunger Relief Emergency Trust Fund for domestic hunger relief.
✓use not more than 10% of funds paid from the Trust Fund for administrative expenses.
✓use the Trust Fund payment ***exclusively*** for implementation of their hunger relief plan.

Organizations not complying with the Commission's requests:

✓will be notified of any prohibited acts.
✓will be required to repay the Secretary of the Treasury for any violation.
✓may lose their tax exempt status during the period of any violation.

State Income Tax Checkoff Programs
September 1986

State	Wildlife and Conservation	Political Campaigns	Children's Trust Fund	U.S. Olympic Committee	Arts Programs	Other (see Notes)	Total Checkoffs
Alabama	X	X	X		X	X[a]	5
Alaska	No Personal Income Tax						0
Arizona	X		X				2
Arkansas	X					X[b]	2
California	X	X	X	X		X[c]	5
Colorado	X			X		X[d]	3
Connecticut	No Personal Income Tax						0
Delaware	X		X	X		X[e]	4
Florida	No Personal Income Tax						0
Georgia	No Checkoff Programs						0
Hawaii		X					1
Idaho	X	X				2X[f]	4
Illinois	X		X			X[g]	3
Indiana	X						1
Iowa	X	X					2
Kansas	X						1
Kentucky	X	X	X				3
Louisiana	X		X	X	X	2X[h]	6
Maine	X	X	X				3
Maryland	No Checkoff Programs						0
Massachusetts	X	X				X[i]	3
Michigan	X	X	X				3
Minnesota	X	X					2
Mississippi	X						1
Missouri			X				1
Montana	X	X	X			X[j]	4
Nebraska	X						1
Nevada	No Personal Income Tax						0
New Hampshire	No Personal Income Tax						0
New Jersey	X	X	X				3
New Mexico	X						1
New York	X						1
North Carolina	X	X					2
North Dakota	No Checkoff Programs						0
Ohio	2X						2
Oklahoma	X					X[k]	2
Oregon	X				X		2
Pennsylvania	X						1
Rhode Island	X	X		X	X	X[l]	5
South Carolina	X		X				2
South Dakota	No Personal Income Tax						0
Tennessee	No Personal Income Tax						0
Texas	No Personal Income Tax						0
Utah	X	X					2
Vermont	X						1
Virginia	X	X					2
Washington	No Personal Income Tax						0
West Virginia	X		X			X[m]	3
Wisconsin	X	X					2
Wyoming	No Personal Income Tax						0
Total	36	17	14	5	4	15	91

Notes:

[a] Alabama — Alabama Aging Fund
[b] Arkansas — War Memorial Stadium
[c] California — Legislative Fund for Senior Citizens
[d] Colorado — Domestic Abuse Fund
[e] Delaware — Emergency Housing
[f] Idaho — Drug Enforcement Fund; Agriculture in the Classroom
[g] Illinois — Alzheimer's Disease
[h] Louisiana — Louisiana Senior Citizens Trust Fund; Statue of Liberty-Ellis Island Foundation
[i] Massachusetts — Organ Transplant Fund
[j] Montana — Agriculture in Montana's Schools
[k] Oklahoma — Aid to Indigent Care
[l] Rhode Island — Organ Transplant Fund
[m] West Virginia — Adult Literacy Education Program

Source: NCSL survey of state revenue and tax commissioners, September 1986.

PREPARED STATEMENT OF WILLIAM M. PAUL,
ACTING DEPUTY TAX LEGISLATIVE COUNSEL, U.S. DEPARTMENT OF THE TREASURY

Messrs. Chairmen and Members of the Committees:

I am pleased to have this opportunity to present the Treasury Department's views concerning H.R. 81, which, if enacted, would allow taxpayers entitled to income tax refunds to direct that all or part of their refunds be contributed to a trust fund for the relief of domestic and international hunger. H.R. 81 would also establish a commission to oversee the distribution of such contributed amounts. With me today are two assistant commissioners of the Internal Revenue Service - John Johnson, Assistant Commissioner (Planning, Finance and Research), and Robert Brauer, Assistant Commissioner (Employee Plans and Exempt Organizations).

Background

Before turning to the Treasury Department's views on H.R. 81, I would like to provide the Committees with background information regarding two existing programs that are, to a greater or lesser degree, analogous to the funding mechanism proposed in H.R. 81: the Presidential Election Campaign Fund check-off, and California's program permitting voluntary contributions on its state income tax returns.

Presidential Election Campaign Fund. Since 1973, individuals whose Federal income tax liability is at least one dollar have been able to designate one dollar of their tax to the Presidential Election Campaign Fund. In Fiscal Year 1987, 22 percent of the total individual income tax returns, or 22.4 million returns, designated a total of $33.2 million to this Fund. The main costs of administering this provision consist of labor costs to transcribe data at the IRS service centers when the returns are processed. The Internal Revenue Service estimates that the cost of administering this provision in Fiscal Year 1984 was approximately $400,000. We would point out that this program differs from the proposal in H.R. 81 in that taxpayers simply check a box designating a dollar of their tax to

go to the Campaign Fund, which in no way increases their tax or reduces their refund. Under H.R. 81, taxpayers would have to specify a dollar amount of their refund to be contributed to the proposed trust fund.

California Check-off Program. Since 1982 California has allowed taxpayers to make voluntary contributions to the California Election Campaign Fund on their state income tax returns. In 1983, the California legislature expanded this program by adding four additional funds, and two more funds were added in 1987. Thus, California's individual tax return forms currently permit individuals to make voluntary contributions to seven different funds: the Alzheimer's Disease/Related Disorders Fund; the California Fund for Senior Citizens; the Rare and Endangered Species Preservation Program; the State Children's Trust Fund for the Prevention of Child Abuse; the United States Olympic Committee Fund; the Vietnam Veterans Memorial Fund; and the California Election Campaign Fund. The California legislature is currently considering proposals to add yet two more funds: the California Fire Foundation Fund and the State Emergency Family Needs and Assistance Fund.1/

With respect to the 1987 tax year, the seven funds listed on the California returns received roughly 700,000 contributions out of 12,000,000 tax returns. Contributions totaled approximately $3,400,000 at an estimated cost of 7 cents per contribution. The implementation of the California program has required the addition of ten lines to the California forms and requires taxpayers to make approximately eight additional decisions and two additional calculations.

Discussion

The Treasury Department agrees that domestic and international hunger is a serious problem. Nevertheless, we have consistently opposed proposals such as H.R. 81 that would use federal tax returns and the federal tax collection system for goals that are wholly unrelated to the raising of tax revenues. It is our view that federal tax returns and the federal tax collection system should not be used as a vehicle for voluntary contributions to any charity or cause, however meritorious. In this regard, the Committees should note that we have in the past opposed proposals to add tax return "check-offs" for such worthwhile causes as a U.S. Olympic Committee fund, a National Organ Transplant fund, the National Endowment for the Arts, the

1/ According to information compiled by the Federation of Tax Administrators, a total of 37 states have check-off programs that allow taxpayers to designate a portion of their tax or refund for at least one specified purpose.

National Endowment for the Humanities, and a fund for the reduction of the public debt.2/ In addition, as part of The President's Tax Proposals to the Congress for Fairness, Growth & Simplicity (1985), the President proposed the repeal of the presidential election campaign check-off.

Our opposition to such proposals stems not from any disagreement with the underlying purposes of the proposals, but rather from our concerns regarding the confusion, complexity and administrative burdens that such well-intentioned and seemingly innocent proposals would create. These concerns are heightened by the fact that, as the California experience illustrates, the adoption of H.R. 81 would invite other charitable causes to seek similar treatment. It would indeed be difficult to argue that certain charitable goals, such as the fight against world hunger, should have a check-off, but that others, such as the prevention of child abuse, or aid for the handicapped, the elderly or the homeless, should not.3/

Moreover, any check-off system would further complicate tax returns and instructions. At least one and probably two additional lines would have to be added to all affected forms. This Administration is committed to reducing the paperwork burden and complexity of the tax forms and has already made significant progress in this area. Proposals such as this one are inconsistent with these goals.

Several other problems are presented by the proposed check-off system. First, the legislation under consideration would, if enacted, place an administrative burden on the Internal Revenue Service at a time when the Service is facing budgetary

2/ Since 1983, IRS publications have carried a message inviting taxpayers to make voluntary contributions to reduce the public debt when they file their tax returns. The instructions for income tax returns have advised taxpayers that they could make such contributions to the IRS in the form of a separate check made out to the Bureau of the Public Debt. In Fiscal Year 1987, there were 723 such contributions totaling $159,000. For the five years since the Service has been publicizing this program, there have been 10,382 contributions for a total of $1.5 million.

3/ The experience of other states also illustrates the difficulty of resisting efforts to add additional check-offs for other worthy causes. According to the Federation of Tax Administrators, 31 new designated check-offs were added to state tax returns during the past four years. Check-offs were added for political campaigns (four states), protection of wildlife (three states), child abuse and related causes (ten states), olympic funding (two states), funding for the arts (one state) and other miscellaneous causes (eleven states).

constraints. Were the Service required to reallocate resources to implement this proposal, its traditional functions would suffer. If the tax check-off system were extended to other charities, which we believe would be a real possibility if H.R. 81 were enacted, the result would create further administrative problems for the Service.

Second, we believe such a system would be confusing to taxpayers. The fact that it would operate differently from the current check-off for the presidential campaign fund, which is made out of a taxpayer's tax liability and does not affect the amount of any refund the taxpayer may receive, would itself cause confusion. Further, voluntary contributions by taxpayers who itemize would qualify as deductible contributions for the taxable year in which they were made. Thus, a designation or check-off in one year (e.g., on a 1989 return filed in 1990) would give rise to a deduction on the next year's return (e.g., the 1990 return filed in 1991). Because the taxpayer might be making yet another designation or check-off on the subsequent year's return, there is significant potential for taxpayer confusion and error.

Third, if a taxpayer were to designate a portion of a refund for contribution that turns out to exceed the refund to which the taxpayer is actually entitled, either because the taxpayer's tax liability is adjusted due to a mathematical error or substantive change or because the refund is "intercepted" under the refund offset program, the Service would presumably have to inquire whether the taxpayer still wished to make the contribution. If the transfer to the proposed trust fund were already made, a request for reimbursement to the Treasury - either by the taxpayer or the trust fund - might be necessary.

Another serious concern we have with the bill is that it gives the Hunger Commission the authority to direct the Secretary of the Treasury to revoke an organization's tax-exempt status if the organization is found by the Commission to have committed certain "prohibited acts." This concept of granting the authority to revoke tax-exempt status to an agency other than the IRS is unprecedented. In effect, it establishes an entirely new system of administering the laws pertaining to tax-exempt status for a certain class of tax-exempt organizations. Furthermore, the Hunger Commission staff presumably will have no experience in auditing exempt organizations, and we do not know the standards that would be applied in determining if tax-exempt status should be revoked. Granting this authority to the Hunger Commission would open a Pandora's box of administrative and legal problems.

While we sympathize greatly with the underlying goals of H.R. 81, we oppose the bill primarily because of the precedent it would establish and because of the administrative problems its enactment would create.

This concludes my prepared remarks. I would be pleased to respond to your questions.

Presidential Election Campaign Fund

The Presidential Election Campaign Fund check-off first appeared on the tax returns for the 1973 taxable year. As with any new provision to the tax laws which requires the addition of lines to a form and the reprogramming of the IRS's information input and error control systems, there were certain problems which developed and which, in the normal course of operations, were resolved as both taxpayers and the IRS gained experience with the new provision. Such problems were easily and quickly resolved and the IRS's system for handling this information currently runs smoothly and has done so for quite a few years.

As you know, the IRS's only function with respect to this check-off is to transcribe the information. The actual administration of the program is handled by the Federal Election Commission. The FEC would therefore be the proper agency to respond to any questions you may have regarding the administration of this program.

The Treasury and the IRS have advocated the repeal of the Presidential Election Campaign Fund check-off, not because of administrative problems, but because we believe that the repeal would simplify the tax forms without in any way prejudicing either the administration of the tax system or the public financing of presidential campaigns. This check-off box does not affect either the amount of a taxpayer's refund or the amount of general tax revenues generated by the tax system. All it does is designate $1 of the taxpayer's taxes for funding of presidential election campaigns.

Neither the Treasury nor the IRS has performed any cost-benefit analyses of this program. Because of the intangible nature of the benefits of the program, a cost-benefit analysis would be difficult and any results of such an analysis would be highly subjective. Once again, the FEC may be in a better position to answer questions on this issue.

Prepared Statement of Thomas L. Birch, Legislative Counsel, National Child Abuse Coalition

Mr. Chairman, members of the Select Committee, members of the Subcommittee, my name is Thomas Birch. I am the legislative counsel for the National Child Abuse Coalition, an advocacy group composed of national organizations concerned about the future of services for the prevention and treatment of child abuse and neglect.

I am pleased to have this opportunity to appear before you to offer testimony this morning on the subject of income tax checkoffs. I am most familiar with the state tax checkoffs enacted under the name of Children's Trust Funds to support programs for the prevention of child abuse.

Background on Children's Trust Funds

The first Children's Trust Fund was established by the Kansas legislature in 1980 with money designated for child abuse prevention not from a tax checkoff but from an increase in the cost of marriage licenses in the state.

The idea of Children's Trust Funds caught on quickly around the country, and now legislatures in 46 states have established some form of special program providing grant support for local efforts to prevent child abuse, although the mechanisms for funding these programs differ.

In addition to surcharges on marriage licenses, states have increased fees on copies of birth certificates, divorce filings, and death certificates to support their Children's Trust Funds. Others have established income tax checkoffs permitting taxpayers to designate a portion of their tax refunds to

child abuse prevention. A number of states provide support through direct legislative appropriations, and the vast majority of states generate money through a combination of these various approaches to raising revenue.

Supporting programs through designated funds has offered legislators an opportunity to provide assistance for activities which had been historically underfunded -- in this case, for the prevention of child abuse and neglect -- at a time when depressed state economies and revenue deficits inhibited the creation of new programs, in a way that would be apart from considerations of appropriations and safe from cuts in state budgets.

Income Tax Checkoffs

Michigan was the first state, in 1982, to establish a Children's Trust Fund supported by an income tax checkoff. Advocates working with the Michigan legislature on a Children's Trust Fund bill were told that in a state with such a high rate of unemployment at the time and extreme budget deficits, no cost, not even that of a marriage license could be increased. The legislation that evolved enables taxpayers in Michigan to designate any portion of their state income tax refunds to the Children's Trust Fund.

Sixteen states (Alabama, Arizona, California, Delaware, Idaho, Illinois, Kentucky, Louisiana, Maine, Michigan, Missouri, Montana, New Jersey, Oregon, South Carolina, and West Virginia) now have a checkoff for child abuse

prevention on their income tax returns. In addition to allowing taxpayers to earmark a portion of their tax refunds to the Children's Trust Funds, several states also permit the individual taxpayer to make a contribution to child abuse prevention when paying taxes, regardless of eligibility for a refund.

Typically the money collected from the income tax checkoff goes into a separate fund in the state treasury where it is credited to child abuse prevention. In several states, including Michigan, half of each year's receipts goes to the Children's Trust Fund from which grants are awarded to local child abuse prevention efforts. The rest of the money collected from the checkoff is invested and the earnings are credited to the trust fund. The refund checkoff in Michigan will be halted when the fund's endowment reaches $20 million. After that, programs will be financed from the interest earned on the money in the account.

Most states do not restrict contributions to the Children's Trust Fund to specific sources of income, be they extra fees from marriage licenses or designated dollars from income tax returns. The typical enabling legislation allows the Children's Trust Funds to receive contributions, grants, or gifts from individuals, foundations, corporations, or the federal government. Indeed, since 1986 with the enactment by Congress of the Child Abuse Prevention Challenge Grant Act, the federal government has provided a four-to-one match to Children's Trust Funds. The federal money has been instrumental in encouraging states to establish these special funds for the prevention of child abuse and to increase, usually through appropriations, the money available for the federal match.

Impact of Children's Trust Funds

States with Children's Trust Funds raised $28 million in 1987 to support hundreds of child abuse prevention programs all over the country. Four years ago these state child abuse prevention funds totalled only about $4 million. The increase reflects more of an expansion of Children's Trust Funds into other states than it does an actual growth in funding, although the dollars for Children's Trust Funds have increased slightly in a number of states. Others have seen a drop from year to year, including states with income tax checkoffs.

Approximately one-third of that $28 million comes from state legislative appropriations, but the majority was raised for designated funds from income tax checkoffs and surcharges on certificates and licenses.

The money has gone for a variety of community-based activities aimed at child abuse prevention -- crisis intervention services, respite child care programs, public information about preventing child abuse, support programs for teenaged parents and parenting education. Typically, the total dollars requested from applicants run well above the amount of program funding available through grants from the Children's Trust Funds.

In most states, the Children's Trust Fund represents the first time that any appreciable public support has been available for preventive programs. In fact, historically legislators had not been particularly attentive to the prevention approach in addressing child abuse, especially in the face

of legitimate demands for services to families where abuse had already occurred. By presenting legislators with an alternative to funding apart from the regular budgetary process, the value of prevention efforts has been proven resulting in more responsibility from the legislature to prevent child abuse.

Considerations on Checkoffs

In several states proponents of Children's Trust Funds have met resistance from those, usually within the state legislature or executive agencies who are opposed to designated taxes or checkoffs. The objection has been made that a designated fund confuses and interferes with the state budgetary process, that it limits the capacity of the legislature to allocate freely the state's resources as needed.

In some cases state bureaucrats have balked at the extra burden of administering a separate fund, opposition that is usually quelled by allowing an administrative fee to be taken from the funds collected. In Alabama, with a tax checkoff supporting its Children's Trust Fund, the legislation allows a maximum of three percent of the collected funds to stay with the department of revenue for the additional cost incurred by the agency in handling the funds.

Once an income tax checkoff has been established, funding does not begin automatically. The program starts with an advertising campaign -- which can often be costly — to alert the tax-paying public to the checkoff. In this way the checkoff is similar to other fundraising efforts where dollars are

solicited for charity. Most states have needed to allow a full year to promote public participation in the checkoff and to provide sufficient budget to cover expenses for promotion.

A successful tax checkoff campaign can have the negative effect of encouraging others, the result being an income tax form with a proliferation of causes vying for the taxpayer's contribution. Additional checkoffs for competing causes would diminish the public impact of a single checkoff and reduce the expected revenues by splitting refund choices among several different worthy causes.

In some states the Children's Trust Fund tax checkoff already has company. Wildlife conservation and the arts compete with the prevention of child abuse on the Alabama income tax return; the same is true in Louisiana. In Illinois, the plurality of causes actually had a positive effect on the launching of the Children's Trust Fund. When Governor James R. Thompson was presented with two bills for tax checkoffs, one allowing up to $10 designated for wildlife conservation and the other proposing $2 for child abuse prevention, in the name of parity he raised the checkoff for children to $10.

Illinois has since limited the number of income tax checkoffs to ten. Additionally, if a particular cause fails to raise a certain number of dollars through checkoffs from taxpayers it is automatically dropped from the state income tax return.

As I have mentioned, a vote for Children's Trust Funds is popular with state legislators, but given such an "easy" vote, lawmakers might feel they

have done their obligation to children's services and not be as responsive to other children's needs. The question has been raised whether passage of a Children's Trust Fund would have a negative effect on regular appropriations since money was already available through a designated fund. The Alabama statute even anticipated a negative effect on appropriations and included a provision in its legislation that revenues from the income tax checkoff should not be "construed to be in lieu of annual appropriations."

In fact, the opposite effect has happened. With a Children's Trust Fund in place providing ongoing support for prevention, programs have an opportunity to show how child abuse prevention works. As a result, legislators in a number of states have moved to increase funding through appropriations.

The experience of the Children's Trust Fund shows that income tax checkoffs and other designated funds present opportunities for new levels of activity at the community level which previously might not have had access to public funding. The checkoff can create greater awareness among legislators and the public about the need to support a particular cause. Funds from an income tax checkoff can work like venture capital, generating new money from the public and building support for adequate legislative funding.

Prepared Statement of Father William T. Cunningham, Executive Director, Focus:HOPE

Chairman Leland, Chairman Rangel, Honorable Members of the Committee, Ladies and Gentlemen:

I am most grateful, for two reasons, for the opportunity to appear here today.

The first reason is personal, and that is that it is always a pleasure to meet again with Congressman Bob Carr, who has proven himself to be an enduring friend of hungry people in this country.

The second reason is the bill introduced by Congressman Carr and Senator Tom Daschle, which has much to recommend it, and which in my opinion is the right vehicle in the right time and in the right place to raise the consciousness of our citizens regarding a malingering tragedy here and abroad.

First, I should introduce myself. I am Father William T. Cunningham, executive director of Focus:HOPE, a Detroit-based civil and human rights organization. Focus:HOPE was co-founded by Eleanor Josaitis, who is seated with me here at the table, in the wake of the civil disturbances that wracked our city in 1967. Our goal is an integrated, just society in which all our citizens have an opportunity to be productive, contributing persons.

Focus:HOPE today has 450 employees and more than 30,000 volunteer workers. Our principal projects involve job training and job creation, preschool education, day care, and the nations largest Commodity Supplemental Food Program for low-income mothers, infants, young children and senior citizens. We provide a USDA food supplement each month to 39,000 mothers and children and 29,000 seniors -- in no small part because of Congressman Carr's efforts over the years.

We have both philosophical and real-world contact with the hunger that, amazingly, remains in the midst of our society's superabundance.

We believe in the right of every American to sufficient food to sustain and nurture life, and we are particularly concerned with infants and young children who must receive proper nutrition in their formative years if they are to have an opportunity at all to emerge as alert, sociable, learning teens and adults. As a civil rights organization, we are most particularly concerned with the hug gap in health and development between whites and minorities as a consequence of hunger and malnutrition.

This bill proposed by Congressman Carr and Senator Daschle probably has not struck anyone as a civil right bill. But I want to tell you today why this excellent piece of legislation is exactly that, at least according to Focus:HOPE's concept of civil rights.

Focus:HOPE believes that "civil rights" means not only that every citizen has the opportunity to be productive, but that he or she bears the necessity of being a contributor. A person is not whole simply by being a productive person. People must go beyond that and give something back -- locally and across the world -- if they are to enjoy the full dignity of human existence. And that is really what this bill is about.

This is a conscious-raising bill, a bill that will remind every taxpayer, once a year, of this most basic tragedy of hunger, and will allow him or her to be a contributor. Pragmatically speaking, I cannot think of a better time for a little conscious-raising than at a moment when someone is about to receive a little superfluous, discretionary income.

The amount of money that might be raised, frankly, is not what appeals to me most about this bill. I should point out that Focus:HOPE is not a supplier of "emergency" food, and therefore will not derive any revenue from this legislation.

What compels me to endorse this bill so heartily is not its impact on the taxpayer's wallet but on his heart and mind. Whether he checks off "yes" or "no" on his tax return, and whatever percentage of his refund he designates to fight hunger, he will have had an opportunity to exercise his free will to help solve our most unabidable problem in this world; he will have had an opportunity to be a contributor; and he will have been forced during this annual transaction, in which he supports all the various endeavors of his government good and bad, to think beyond the level of a mere accounting procedure. He will, in effect, be asked to be a partner with his government in alleviating suffering in his own nation and abroad.

Our philosophy at Focus:HOPE has always been to invite people to join us in attacking the big problems. It remains amazing, after twenty years, to see how many good people answer that invitation. I see this bill as a small but important symbol, extending that invitation to all of our citizens. Indeed we may be amazed at the response to this invitation.

Congressman Carr, we at Focus:HOPE have valued your good counsel and for years your efforts on behalf of the poor and hungry in our city. We thank you for your help most recently to expand our local program and to extend service to senior citizens, many of whom were eligible, at best, for $10 a month in food stamps. We wish you every success in sharing with your colleagues here in this committee and on the House floor the wisdom of this legislation.

PREPARED STATEMENT OF ROBIN BATTEAU, PERFORMER/SONGWRITER, BOARD MEMBER, WORLD HUNGER YEAR

Thank you for inviting me here. It's an honor and a privilege for me to be a part of these hearings. I know some of you are thinking I'm just another dumb musician who thinks he can save the world. But just about everybody, even a dumb musician, has at least one good idea in his life. And this one's mine.

H.R. 81 is not the bill I had in mind wher I flew down here two Januarys ago. It's better. It's better because of what Bob Carr put into it, and what Diane Blagman put into it, and what Sharon Robinson put into it, and what the experience and wisdom of the many other outstanding people we spoke to put into it. In fact, the more we talked, the better it got. Which is what the bill is all about, anyway: it's about involvement, it's about how when you get everybody involved, the problem gets solved.

These hearings should make some new people listen, and start some new people talking, and make the H.E.A.R.T. beat even stronger. And then maybe once it's beating so strong that the whole world listens, I can go back to my guitar, and leave all of you alone.

Because, frankly, I'd rather be singing.

Not that I'm that great a singer. But at least you never have to wear a tie.

Still, being a singer, especially a sometime folksinger, carries other responsibilities, one of which is performing benefit concerts. Benefit concerts are special occasions where stagehands get paid double

overtime while the musicians get their choice of baloney or peanut buter and jelly, and, if there's anything left after paying the concert insurance, the charity collects enough to keep going for another month or so.

The only reason we do them is because we know there are plenty of people who never even get to choose between baloney or peanut butter and jelly.

Three years ago I produced a series of weekly charity concerts in New York for World Hunger Year. By the time we got to our 12th and last show, we had run out of new singers we could talk into it, so we staged a mock benefit for Joanna Carson, who at the time was suing Johnny because she couldn't make ends meet on 40 grand a month. So we threw her a benefit concert. We had a giant cardboard check made out for three dollars and 18 cents.

The real money, of course, went to World Hunger Year. The concert was fun, but a sad end to the series. As I looked out at the audience, I saw the same faces I'd seen 11 times before. The faithful. We were preaching to the choir. There had to be a better way, a way to get millions of new people involved in the fight against hunger and want. A way to get more funds to better organizations, to boldly go where no cause has gone before.

Of course there's a better way. Just like we knew all along there would be. Just listen to your heart. Listen to your heart. If we listen to our hearts, the way is clear.

The H.E.A.R.T. bill is not the only answer. The H.E.A.R.T bill is merely a way of posing the question to the right people-- the regular Joes and Janes

that make up the great majority of the population, the ones who always wind up paying most of the taxes, the ones who, because they are neither very rich nor very poor, never make headlines, the ones who overwhelmingly responded to a recent poll on national problems and priorities by saying that they would be happy to pay an additional $100 in taxes if they knew the money was going to the hungry and homeless. We're talking about over 100 million people potentially donating some part of their $900 refunds, to go to the charities that make up the vanguard of hope in America. Imagine what that could do.

Some people have said to me that the world doesn't need a new bureaucracy. They haven't read the bill. Our strict limits on spending make that impossible.

Some people have said to me that hunger is the government's job, not the people's. I don't know who they think the government is, 537 invaders from the Planet Law School? And I challenge anyone to show me a society where there is no gap between what the government can do, and what must be done. The H.E.A.R.T. bill is asking government people to let non-government people do the the best job they can do of filling that gap. It is a problem as constant and as vast and various as the stars in the sky. But I believe the better job we do, the better job you can do.

There are a million little jobs to be done. From South of Houston to South of Houston, from East Lansing to Capetown, the problems are special to each community and every individual. Every problem has its own solution. The H.E.A.R.T. bill wants to fund as many solutions as there are problems. We are including people. We are making every average person's 2

dollar contribution worth 2 dollars, instead of being eaten up in fundraising and administration costs every charity - especially the small ones - incurs. And because they can be sure the charities receiving their donations are on the up and up, they can feel confident about upping their donations. We are building a bucket to catch the little drops of rain, so that with this bucket we can water a garden and make it grow.

Some people complain to me that this one line will complicate the tax form. Most Americans don't itemize. Their taxes are simple, though paying them is never easy. But signing up for the fight against hunger becomes easy, meaningful, and sure when our strong yet gentle little box joins the ritual of the Ides of April.

I think gentle strength is what we're talking about here; the courage to be kind, fire that warms the heart without burning the soul.

My grandfather, Juan Matos, died Monday at the age of ninety. Things are so gentle on the edge of death. He enjoyed a few extra days because one nurse took a special interest and cajoled him into eating more after he'd said "No more" to the regular duty nurse. It was a small thing, a week of life in a very old man, yet it illustrates the difference between institutional care and personal attention, the need for both government and charity, and it touched me deeply.

Back when he and my grandmother Carmen were both alive, we'd all finish dinner and laughing at the same old stories together, and one of the family would say, "buen probetiu," and everyone else would say, all

together, "Eguamente." Roughly translated, "Buen probetiu" means "Man, that was some chow," and "Eguamente" means "Boy, I'll say."

But the more literal translation is even better:"Good food," "Equally." It sounds a lot like "All men are created equal," which was a phrase made up by a group of lawyers who were, of course, what else, having lunch.

I sing about food a lot these days. Apart from the Heartbeat of America, I'm also the singer-songwriter on the new campaign themes for McDonald's, Kentucky Fried Chicken, Cheerios, Coca- Cola, and a lot more on the side. I'm lucky that way. And since marrying Wendy in January, I figure I've got to be the luckiest man in America, with the possible exception of Ronald Reagan. I have no idea why, but when it comes to advertising, this dog can really hunt.

Thank you again for having me here today at this special kind of benefit performance. Joe Louis knew that all his charity appearances plus a subway token would get him a ride on the uptown A express. But he kept on doing them anyway. I'm not an easy knockout either. And the H.E.A.R.T. bill is a sure winner.

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